

## USES OF HOUSING FUNDS:

### Agency Programs and Projects

Agencies were asked to "briefly describe one outstanding project, cooperative or partnership financing or development arrangement, or other innovative practice or program used to increase or improve the affordable housing stock" during FY 96/97. The responses are compiled by program type to enable agencies to identify the general kinds of programs being implemented by others and share information.

We edited some of the descriptions for clarity, consistency and brevity. Where projects involved more than one program, we listed them under the area in which the agency appeared to be primarily involved. Where agencies listed multiple activities, we selected one or two to include. We did not attempt to verify the information included in the descriptions. Questions about a particular program or project listed in this report should be referred to the Agency contact person listed.

The categories of projects and programs are as follows:

- ▶ New Construction: Rental Family
- ▶ New Construction: Owner
- ▶ New Construction: Self-Help
- ▶ Acquisition and Rehabilitation
- ▶ Rehabilitation: Owner/Rental
- ▶ Mobilehome Parks
- ▶ New Construction: Rental Seniors
- ▶ Rehabilitation: Owner
- ▶ Homebuyer Assistance
- ▶ Rehabilitation: Owner
- ▶ Rehabilitation: Rental
- ▶ Miscellaneous Programs and Projects

The following are some of the common abbreviations used in the project descriptions:

CDBG	Community Development Block Grant
CHAS	Community Housing Affordability Strategy
CHFA	California Housing Finance Agency
DDA	Disposition and Development Agreement
HOME	Home Investment Partnerships Program
HCD	California Department of Housing and Community Development
HUD	U.S. Department of Housing and Urban Development
FmHA	Farmers Home Administration
LIHTCs	Low Income Housing Tax Credits
RDA	Redevelopment Agency
RFQ	Request for Qualifications
SAMCO	Savings Associations Mortgage Company
SRO	Single Room Occupancy

## ***NEW CONSTRUCTION: Rental Family***

### **City of Livermore Redevelopment Agency**

#### **Project Name:**

***Las Positas Affordable Family Housing Development***

**Contact: Eric Uranga - (925) 373-5210**

**Description:** The Project is a 72-unit, new construction multifamily rental project affordable to low and very low-income families. Situated on 3.8 acres, the project consists of 40 two-bedroom and 32 three-bedroom units ranging in size from 750 - 950 square feet. Special project features include a community room and an on-site affordable childcare facility. The Project will create 35 very low-income units and 37 low-income units with rents projected to range from \$513 per month for very-low income two-bedroom units to \$895 for low-income three-bedroom units, including utilities. In addition, the project will provide affordable childcare through the creation of an on-site childcare facility paid through project cash flow. Creating affordable rental units and childcare addresses an important need in our community where housing costs have climbed over 25 percent in the last two years. Another special project feature includes an on-site service coordinator. The service coordinator's role will be to provide support services to tenants as needed, including job training and family counseling.

**Agency Role:** The City has committed up to \$1,400,000 in redevelopment funds to the Project and \$2,840,000 in City in-lieu fees. The funds will be provided in the form of a loan and will be made available to pay for predevelopment expenses, land acquisition and construction costs. Once the Project is completed, the funds will be rolled over into permanent financing in the form of a 3 percent simple interest residual receipts loan amortized over 55 years. In addition to the City loan, the Project also received funding in the form of Low Income Housing Tax Credits, California Housing Finance Agency Bond Funds, and Affordable Housing Program funds. The Project also received a density bonus which allowed the number of units on-site to increase from 60 to 76 units. The project is noteworthy because of the strong financial and political support provided by the City. The Project approval process was subjected to intense community pressures, yet the City Council, understanding the need for this type of development, approved the Project's funding and zoning. Recognizing the City's efforts, the East Bay Housing Organization, a nonprofit consortium of housing developers and service providers, presented the project its award for "Outstanding Contributions To Promote Affordable Housing". The award is given to agencies for being proactive and ardent supporters of affordable housing.

**Brief History:** The original parcel consisted of 5.2 acres of land and included an existing church. During the process of land acquisition, Eden Housing and the City worked closely with the landowners and church officials to allow the church to remain by splitting the lot into two parcels and leasing one parcel back to the church at a nominal cost. By doing this, Eden Housing turned a potential opponent of the project into an advocate for Las Positas. The site was home to three nests of Burrowing Owls.

Although the nests appear abandoned, Eden Housing worked closely with Park and Game officials to develop a mitigation plan which created new owl habitat by setting aside land in other parts of the City for a new habitat area for the owls.

### **Davis Redevelopment Agency**

#### **Project Name:**

***Core Area Fee Program***

**Contact: Katherine Hess - (530) 757-5610**

**Description/Brief History:** The Project provided redevelopment funds for 4 infill apartments for low- and moderate-low income residents. The Agency funded approximately \$9,000 per unit. The Agency's financing arrangements were payments of impact fees for new affordable housing in the downtown core area. The Agency's role was the payment of impact fees. The Agency addressed the desire to add residential units to core areas and the need for affordable housing. The Project was successful in providing private development with no ongoing subsidy required.

### **City of Monterey Redevelopment Agency**

#### **Project Name:**

***Osio Plaza***

**Contact: Bob Humel - (831) 646-5615**

**Description:** The City last remaining Urban Renewal Agency parcel acquired in 1975 is now being developed. The 15,000 square foot parcel will hold a 33,000 square foot (approximately) multi-level, mixed-use building. The parcel is now part of the Custom House Redevelopment Area Project. The Project will consist of 30 apartments, including one for an onsite manager and 29 for low- and moderate-income renters. Most apartments will be fully furnished. Eligibility of applicants will be determined by income. The developer will conduct a lottery and administer the 29 housing units in accordance with City specifications. There will also be 3,000 square foot of retail space, a 10,000 square foot Theater and Café complex with shared use by the City's Convention Center.

**Agency's Role:** The Agency role was as property owner, lessor and reviewing body.

**Brief History:** The Project will cost approximately \$5.12 million. The developer secured private financing for \$2.2 million. The City loaned the developer \$2.2 million from Housing Funds. The developer will maintain an equity investment position of \$750,000. The City will be receiving over \$150,000 in direct income annually from the Project. The Project will be completed in the winter of 1999. Beside meeting important goals to provide affordable housing in Monterey, the nature of the mixed-use is expected to provide strong enhancements to the economic vitality of the downtown area.

**City of Poway Redevelopment Agency****Project Name:*****Park View Terrace*****Contact: Warren Shafer -- (619) 679-4249**

**Description:** The Project provides 92 apartment units (10-1br, 36-2br, 36-3br, 10-4br). 23 units for households with incomes less than 35 percent of average median income, with 69 units for households with incomes no greater than 50 percent. The services provided to residents are a part-time Resident Services Coordinator and an on-site Learning/Computer Center. The Agency provided long-term ground lease of site and \$3,708,000 in gap financing.

**Agency's Role:** The Agency acquired the site, and used a two-step, RFQ/RFP process to select the successful development team, the Bowron Road Group Limited Partnership. The Agency jointly sponsored Community Design Workshops with the Partnership. The Agency's financial assistance for the development was provided through an Advised Fund Agreement with the San Diego Foundation. The Foundation then loaned the necessary gap financing to the development team. The Agency reviewed and approved all construction loan draws. Long-term oversight will be provided by the Agency through annual budget approvals and a regular site inspections. The management is maintained in accordance with community expectations. The Agency required permanent affordability for this local affordable housing resource.

**Brief History:** Park View Terrace is a permanent affordable housing resource that will be available to the most cost burdened households. In recognition of the fact that minimum income requirements exclude some of the families with the greatest need, Poway income. Park View also provides the first 4-bedroom, multifamily units available in the entire City, which allows larger families the opportunity to reside in Poway. Structuring the Agency's financial assistance as a loan from the San Diego Foundation was a tremendous success. It allowed Agency funds to be leveraged by an additional \$1.2 million contribution from the equity investor. This transaction was also successful in fostering the development of local nonprofit development capacity, which is an important Agency objective. This was accomplished through providing priority in the selection process for a development team that includes a local, nonprofit development partner. This materially benefited local nonprofits by making them competitive against larger, more established statewide development entities. This successful partnership comprised a local nonprofit and an experience for-profit entity. This structure enabled a local nonprofit to develop and ultimately own its largest development. The for-profit partner provided necessary financial guarantees and development experience that benefited the Project overall. The affordability of this development is permanent, and would not be lost after the Tax Credit compliance period. The Agency's affordability covenants are not subordinate to the permanent lender's first Deed of Trust. The development team was successful in negotiating a 30-year, fixed interest rate loan which is highly unusual. Park View Terrace is Poway's first affordable, multifamily housing and it is located across the street from City Hall. This development is part of the City's overall efforts to revitalize its Towncenter

area. Blending the multiple sources of construction financing, and the associated requirement of each, was the great challenge. A comprehensive developer selection and due diligence process is worth the investment, and minimizes the likelihood of unpleasant, costly surprises. Requiring the submittal of detailed cash flow and construction cost analysis at the RFP stage made the negotiations process smooth. While constructions costs change, as more is known about the actual project to be constructed, the assumptions for developer and asset management fees, profit and overhead hold.

### **City of Daly City Redevelopment Agency**

#### **Project Name:**

***School House Station***

**Contact: Richard Berger – (650) 991-8156**

**Description:** School House Station is a mixed-use new construction, 4-story development and will have 47 - 1, 2, 3 and 4 bedroom rental units with 13,000 square feet of commercial space at ground level and underground parking. As a special compliment to enhance services to its residents and the City, the developer, Mercy Charities Housing California, has secured the provision of child care services for up to 40 children in a state-licensed 4,000 square foot space with approximately 1,000 square feet of outdoor space by Bayshore Child Care Services. The Agency provided long-term deferred payment loans for 30 years with two, ten year options in exchange for income restricted units for a 55 year period to households at 50 and 60 percent of median income adjusted for family size.

**Agency's Role:** The Agency owned one of the parcels utilized and prepared a RFP/RFQ for the development of the site. After a review of several proposals from for- and non-profit developers, the Agency selected the best proposal in terms of affordability, other resources leveraged, design, number and type of units, commercial space provided, and the ongoing management once the project was completed. Mercy Charities Housing California was selected and a Disposition and Development Agreement was executed. The Agency was a co-applicant for Federal Tax Credits and provided long-term deferred payment loan for 30 years in an amount of \$512,500. In addition, the Agency facilitated and provided funding for the cleanup of the adjacent parcel in order to ensure the timely development of this project.

**Brief History:** This project addresses the overwhelming need for affordable family housing in Daly City and the Bay Area. A key feature of the development, as with many affordable housing projects, is the multiple funding sources such as: Federal Low Income Housing Tax Credits (LIHTC), HUD's CDBG and HOME programs, private foundations,

and the Redevelopment Agency's Housing Funds. The most unusual and unique features are the size of the commercial space, quality of design and inclusion of on-site licensed and subsidized child care. The lesson learned was -- define your goals and objectives and do not lose or give up on the vision or dream.

### **Carlsbad Redevelopment Agency**

#### **Project Name:**

***Laurel Tree Apartments***

**Contact: Deborah K. Fountain - (760) 434-2935**

**Description:** The Project provides for a total of 138 units of rental housing affordable to households at 40 and 50 percent of the San Diego County Median area income. The project consists of 2, 3, and 4 bedroom units, which will remain affordable for a minimum of 55 years. Services to be provided within the Project include: a subsidized child-care center, transportation to school for children, after-school programs, and job training. The Project was developed through a partnership between MAAC Project, a non-profit housing developer and Catellus Residential Group, a for-profit housing developer. Laurel Tree is a \$18.4 million affordable housing project which was financed through a variety of sources: City of Carlsbad (\$200,000 loan from Housing Trust Fund); the City's Redevelopment Agency (\$500,000 loan from Low and Moderate Income Housing Fund); State's HOME Program; Federal Home Loan Bank Affordable Housing Program; Kaiza Corporation and Lennar Corporation (both private developers providing approximately \$2.8 million in capital funds in order to meet their inclusionary housing requirements); Bank of America Community Development Bank; Local Initiative Support Corporation; and San Diego Foundation. MAAC will own and operate the project through one of their affiliate property management companies.

**Brief History:** The Agency has determined the production of affordable housing at any location within the City has a direct positive impact on the Village Redevelopment area. There are a number of service, retail and tourism related jobs within the Redevelopment Area that are typically low paying. Increased demand to live in the area and increased land values have driven rental rates up to an all time high and have made homeownership almost impossible for young families with children. The end result is that Carlsbad employees often have long commutes from outside the area to their places of employment, contributing to regional traffic congestion and reduced quality of life. In order to create a jobs/housing balance it has become imperative that workers are able to find affordable housing within the City. The City's housing element identifies very low-income households and large families as the highest priority groups needing affordable housing, since traditionally they have been the hardest groups to serve. The Project will provide safe, decent, affordable rental housing to both groups. The project will also

provide much needed social services to assist young families in achieving a higher quality of life by making it possible for them to both work and live in Carlsbad. The Agency understands that these young families are an essential component to the City's continued economic growth and the revitalization efforts of the Village Redevelopment Area.

### **City of Santa Cruz Redevelopment Agency**

#### **Project Name:**

***Sycamore Street Commons***

**Contact: Ceil Cirillo, Exec. Director - (831) 429-3045**

**Description:** The Project provides 60 affordable townhouse-style apartments in downtown Santa Cruz, a few blocks from the beach. The development includes a mix of one to four bedroom apartments, a subsidized child care center, a community room, play areas, and two laundry rooms. The housing was designed to blend with Santa Cruz's historic downtown neighborhoods through the use of architectural elements from the Victorian and Craftsman traditions melded into a contemporary approach. There are 8 one-bedroom apartments, 21 two-bedrooms, 26 three-bedrooms, and 5 four-bedrooms. The apartments range in size from 574 square feet for a one-bedroom, 836 square feet for a two bedroom, 1,200 square feet for a three bedroom, and 1340 square feet for a four bedroom. Three of the apartments are wheelchair accessible and five have been designed to be adaptable. The Project design incorporates courtyards, street facing townhomes with "eyes on the street" entry gazebos, and secure and visible play areas. All autos and service vehicles have backside entries to avoid cross site traffic. The Project has been designed and built to accommodate families. All units in the project are affordable to households earning a range of incomes from 35 percent - 60 percent of the area median income (very-low and low-income categories). For example, some of the three bedroom apartments have initial rents set at \$430 a month, some at \$668, and some at \$814. Using the example of a five-person family living in a three-bedroom apartment, the maximum income for the lowest level rent is \$21,245; \$30,350 for the middle level rent; and \$36,420 for the highest level rent.

Mercy Services Corporation, the affiliated property management division of Mercy Housing was the Project's developer and now provides property management and resident support services. The Project recently won the coveted Golden Nugget Award of the Western States Builders Association. In keeping with the mission of Mercy Housing a wide variety of tenant assistance services are provided to the residents of the Project:

- **Child Care** - An on-site child care center licensed for up to 32 children. The center is operated by Food & Nutrition Services, a private nonprofit, which has demonstrated experience in providing high quality, affordable developmentally appropriate, bilingual childcare through its existing child development programs at La Fonda Children's Center and Intergenerational Child Care Center.

- **Job Training Referral** - Managed by the County of Santa Cruz Human Resources Agency, this service provides eligible residents with initial educational and employment evaluation and assessment, the development of employment goals, and the facilitation of the resident's entrance into designated programs. Mercy Housing has an ongoing commitment to the belief that residents and staff must contribute to modeling co-responsibility and building healthy communities. Resident participation in the decisions affecting the residential community is encouraged and supported at Sycamore Street Commons. A half-time Resident Services Coordinator is employed by Mercy Housing to work with interested residents in the formation and operation of a Resident's Association. The responsibilities and powers of the Residents Association are now in the development stage, but Mercy Housing hopes to eventually include the following responsibilities: sponsoring educational activities; organizing social activities; developing a neighborhood watch program; and establishing a "welcome wagon" program for new families.

**Agency's Role:** The Project was financed using a combination of ten sources of funds including the City of Santa Cruz, the City's Redevelopment Agency SAMCO, Edison Capital, Wells Fargo Bank, Catholic Healthcare West, Mercy Loan Fund, Federal Home Loan Bank, Seascope Senior Housing and the State Dept. of Housing and Community Development. The total development cost of the complex including land acquisition and the construction of the childcare center, was \$10.3 million. In terms of the Project's \$10.3 million cost, the Agency provided assistance in the amount of \$1,016,042 through a \$842,240 30 year interest free loan and the payment of \$173,802 in City park fees. Aside from financial assistance Agency staff provided technical assistance on a myriad of development and financial issues.

**Brief History:** The site where the Project has been developed is an abandoned car dealership. The development of the Project is one of several Agency, City, and private projects designed to revitalize the long neglected South of Laurel neighborhood. This area, while close to the City's beach front, has over the years suffered a slow decline as its existing commercial and warehouse uses moved to new locations and the abandoned buildings were used by very marginally new uses. To provide new direction for the development of this area of the City is in the process of preparing the Beach and South of Laurel Comprehensive Area Plan to identify new reuse opportunities which take advantage of this area's unique "near beach/near downtown location." The Project is an important part of this revitalization and transition use strategy. Development of the Project required solutions to a number of site and planning challenges. First, the site required a comprehensive toxic remediation to remove the toxins left by years of previous auto maintenance and service use. Second, Project finances required the combination of over ten financial sources described above. Third, the design of the Project was required to be elevated to meet Federal Emergency Management Agency flood plain requirements.



Finally, the development of a tenant selection process which provided local City residents a priority on residency, yet meet all applicable fair housing requirements. The solution to each of the challenges required a continuing commitment on behalf of Mercy Housing and the Agency. Ultimately, all selected residents were residents of the City or employed within the City.

### **City of Morgan Hill Redevelopment Agency**

#### **Project Name:**

***Cochrane Village Apartments/Morgan Hill Ranch Family Housing***

**Contact: Joyce Maskell - (408) 776-7373**

**Description/Brief History:** The Project provided 96 apartment units of 1 – 4 bedrooms for low- and very-low income residents. The services provided were a 32-space child-care center and resident support services. The Agency funding provided was a loan from Morgan Hill in the amount of \$3.2 million. The financing arrangements for the \$3.2 million Morgan Hill RDA 20 percent were; \$646,000 HOME; \$209,000 CDBG; \$55,000 funds from the County housing bond trust fund; \$6 million investor equity (tax credits); \$790,000 tax exempt bonds; \$2,750,000 conventional financing (Bank of American). The Agency's role was providing above GAP financing. The housing need that was addressed was affordable rental housing. The Project's completion date is December 1999 with an expected full lease in February 1999. One unusual feature is that the Project is located in the business park. The problem encountered was the Project was divided into two phases in order to maximize the use of tax credits.

### **City of Los Angeles Community Redevelopment Agency**

#### **Project Name:**

***Parkside Apartments***

**Contact: John McCoy - (213) 977-1818**

**Description:** The Project consists of 79 units of one, two, three and four bedroom apartments for very-low and low-income families, a 5,300 square feet facility for the Century LIFT educational enrichment program and a 5,800 square feet child care center leased to the Los Angeles Unified School District (LAUSD). The high-density urban Project is situated next to the Federal Reserve Bank and across the street from the Fashion Institute of Design and Merchandising in the heart of downtown. The LIFT program is a collaborative effort of the University of South California (USC), the LAUSD and Century Housing Corporation. It provides a tutorial program developed to improve the long-term academic opportunities for low-income residents. The program emphasizes parental involvement, communication with the participating child's school, and the use of college and university students as tutors and mentors. (Students committee to the program with academic standards for admission to USC will receive a four-year full tuition scholarship.) The housing, as well as the childcare center leased to the LAUSD, replaces housing and childcare facilities that are in the process of being demolished to provide for the Staples

Center Arena (Center) project. Twelve families from the Center were relocated directly to this facility. The principal problem encountered was the need to achieve a relatively high density at affordable cost. This was achieved through the use of 5-story "Modified Type III" wood frame construction over a concrete structure housing the educational and childcare facilities at grade and one level of subterranean parking. An additional difficulty resulted from the need to conduct construction activities at the immediate perimeter of the high security Federal Reserve Facility next door. The principal lesson learned is that appropriate attention to design can create a development that is in character with both modern and 1920 architecture in the immediate area.

## ***NEW CONSTRUCTION: Rental Seniors***

### **Taft Community Development Agency**

#### **Project Name:**

***Heritage Park at Taft***

**Contact: Joann Patton - (763-3144) ext. 24**

**Description/Brief History:** The Project provided 60 affordable senior apartments to residents with incomes of 40-50 percent of median maximum. The services provided were a 24-hour on-site manager and nutrition, health and transit. The Agency provided \$125,000 funding and the financial arrangement was for private construction and primary loans; CDBG, HOME and LIHTC. The Agency's role to coordinate the use of multiple funding sources, (i.e., Agency match for CDBG, HOME and State and Federal tax credits to increase original project size from 24 units to 60 units; \$90,000 match to CDBG and \$35,000 match to HOME). The housing need addressed inadequate, safe, sanitary, decent and affordable housing for seniors.

### **City of Delano Redevelopment Agency**

#### **Project Name:**

***Casa Hernandez Senior Housing Project***

**Contact: Mike Gaston - (805) 721-3340 ext. 218**

**Description:** On December 2, 1997, the Agency signed an agreement with the Encinitas Group of San Diego to develop an 80-unit senior citizen housing project on the southeast corner of Albany Street and First Avenue within the Redevelopment Agency Project Area No. 1. This Project will be managed by the National Farm Workers Service Center in Fresno. The design of the Project is unique in that the project site provides ample open space and amenities for each unit including covered parking and a private patio. The units are spacious and a common clubhouse/recreation hall is included for the use of the residents. The Project will fill identified need for senior housing for very low-income on fixed incomes.

**Agency's Role:** The Agency provided a total of \$610,000 in funding assistance for this Project out of the low/mod housing fund. Total project cost exceeds \$5,000,000. Of the \$610,000 in Agency assistance, \$218,000 was in the form of a loan and \$392,000 was in the form of a grant. The County of Kern also provided \$775,000 in HOME funds for the Project.

**Brief History:** The City's housing element indicated a need for affordable senior housing. The City has a large number of farm workers in the area who are retired and who are very low income. The City, County, and the RDA worked with the developer and the National Farm Worker's Service Center to develop the project. The project broke ground in June 1998 and is expected to be ready for occupancy by June 1, 1999.

### **Emeryville Redevelopment Agency**

#### **Project Name:**

*Avalon Senior Housing*

**Contact: Patrick D. O'Keeffe - (510) 596-4350**

**Description:** Seventy units of rental housing for very low-income seniors with incomes at or below 35 percent of median income. The Project will include 13 (18 percent) studios, 50 (71 percent) one-bedroom, and 7 (10 percent) two-bedroom units. Services provided will include ground floor support such as health and counseling. Redevelopment Agency funding provided \$3.425 million. Project financing is \$3.425 million Agency funds, \$5.4 million tax credits, \$1 million conventional loan.

**Agency's Role:** The Agency acquired two adjacent parcels/buildings for the project and completed relocation of two commercial tenants from one of the buildings to create the site. The Agency also assisted with the negotiation of a long-term ground lease for an adjacent vacant parcel to serve as parking and open space for the Project. The Agency will write down the cost of the acquisition of the property by approximately \$1,150,000. The Agency will also provide an additional \$1.8 million low interest (3 percent), deferred payment (5 years) loan from the Low Moderate Income Housing Fund to pay for a portion of the construction costs to allow the units to rent at a below market rate. The Agency will also loan \$475,000 in non-housing funds (80 percent) for the cost of renovating the ground floor of the two buildings for one or more senior service providers. The Agency's role in the Project also consisted of assisting with the design and entitlement process. The units will remain affordable for 55 years per a Disposition Agreement with the developer.

**Brief History:** The Project consists of two separate buildings that were under separate ownership. One building had been vacant for several years following a seismic upgrade and the owner was unable to obtain commercial tenants. The second building was a former small hotel in poor condition experiencing numerous social problems. The Agency wanted to facilitate the renovation and reuse of the properties in order to eliminate their blighting influence on San Pablo Ave. and the surrounding residential area. The Agency also desired to create additional affordable senior housing as part of its overall Affordable Housing Program. The lack of parking for the turn-of-the-century buildings, combined with their proximity to a new grocery store and bus service made the Project attractive for senior housing.

A design was created that matched up unequal floors in the buildings and added two additional floors to increase the Project size. Each floor will have a laundry room. Since the buildings are bounded by two major commercial streets (Adeline Street and San Pablo Avenue), it was

appropriate to continue on-residential uses on the ground floor. The ground floor spaces will be combined and renovated with non-housing funds to create a space for one or more non-profit tenants which will provide support services to tenants of the building and Emeryville seniors. The ground floor will also contain a community room for the residents and a police substation to serve the neighborhood.

The most significant problem encountered was the high cost of renovating two old structures one of which consists of unreinforced masonry without prior seismic improvement. The Agency did not have sufficient low and moderate housing income funds to finance the entire project cost. The low target rent levels at 35 percent of median generates a small amount of private debt. It was necessary to fill the substantial funding gap with the use of tax credit financing. The Agency failed to obtain the tax credit financing in the first attempt (after the Agency had already acquired the properties), but succeeded with the second application.

The Project is being undertaken by a partnership consisting of the Catellus Corporation housing division, and the non-profit East Bay Asian Local Development Corporation. Assistance was also provided to the partnership by AC Transit which agreed to ground lease an adjacent parcel at a favorable rate to provide Project parking. Construction started in November 1997 and should be completed in one year.

### **Marin County Redevelopment Agency**

#### **Project Name:**

***Rotary Valley Senior Housing Project***

**Contact: Thomas Lai - (415) 499-6269**

**Description:** The Project includes construction of 80 units of senior housing, 100 percent of which will be made affordable to low- and moderate-income seniors. The one and two-bedroom units are housed in one-story buildings which are organized around a series of interior pathways and parks and complemented by a 2,000 square foot community building. The project targets elderly persons in Marin County which comprise a segment amount of the County population that is expected to grow by 11 percent over the next five years although their median income is less than half (43 percent) of the County's household median. This Project represents a significant portion of the County's regional fair share of low-income units and expands the stock of affordable housing for a growing elderly population that is currently undeserved.

**Agency's Role:** The Agency provided technical and permit assistance with the development of the Project by Bridge Housing Corporation, a non-profit affordable housing developer. Agency efforts included technical assistance in plan preparation and environmental review, and assistance in expediting local entitlements and building permits. The Agency also assisted in obtaining over 6.5 million in project financing from the CDBG, HUD Funds, the County's In-Lieu Housing Trust Fund, and private lending institutions.

**Brief History:** The planning process for development of the Project spanned a period of over seven years, and stemmed from a community-based planning effort involving local homeowner associations, County departments, and elected officials. The Project was developed as part of a Master Plan for the County-owned property, which included plans to maintain existing facilities for the Probation Department, Parks and Open Space District, and Office of Education, to preserve additional open space, and to develop community recreation fields. The Agency staff coordinated the Master Planning efforts, provided technical and permit assistance, and helped in obtaining project financing.

The Project received an Award of Merit in the 1998 Gold Nugget Program. This award was granted in the Affordable Housing category sponsored by the Western Building Show featuring the “Best of the West” from 14 western states and Pacific Rim countries.

### **City of Norco Redevelopment Agency**

#### **Project Name:**

***Clark Terrace***

**Contact: Mary E. Platt - (909) 270-5645**

**Description:** The Project provided 40 senior citizen housing units below 50 percent of the median income. The Agency provided funding of \$150,000.00, arranged through HUD 202 Senior housing project

**History:** The City established a partnership between the Agency, a local housing support organization, and a non-profit housing sponsor for the development of affordable senior housing. The Agency purchased a approximately 6.8 acre site for about \$1,500,000 using 20 percent Housing Set-Aside Funds. In order to meet the specific needs of senior citizens, City officials formed a volunteer Senior Housing Coalition, comprised of seven members. The members are local senior citizens and community leaders, as well as representatives from the Riverside County Office On Aging and the County of Riverside Housing Authority. The Coalition assembled information, discussed ideas and concerns, and defined key issues and goals toward development of an affordable senior housing project. They met as a group and acted as the representative body of Norco seniors during all stages of the Project.

The Agency goal for development of the Project was to incorporate the following Coalition recommendations project: the rents for all units shall not exceed 30 percent of the actual gross income for each tenant; the Project shall be designed exclusively for ambulatory seniors; the architectural design for the Project must be compatible with the unique rural lifestyle of Norco and; select the most qualified developer in time to complete a HUD 202 application and meet the 1994 deadline. The next step would be to approve a Disposition and Development Agreement. An additional goal of the Agency was to maximize the development of the site, by requesting the HUD application include up to a maximum of 70 units. Southern California Presbyterian Homes (SCPH) was selected to sponsor the proposed HUD 202 Senior Housing Project. The Agency entered into an

Option Agreement with SCPH that would allow the developer to retain an option to acquire the Agency-owned site when HUD issued financing approval. If HUD selected the Project for funding an Agreement would be negotiated which would contain all of the specifics regarding design, costs, and the Agency approval process.

City officials, SCPH, Coalition members, local organizations, and elected officials all worked together to assemble the information required in the lengthy HUD application and submitted the application for funding consideration. The final draft of the application requested funding for a 75-unit complex. In September of 1994, after SCPH notified the Agency that the application did not receive funding, staff and SCPH officials subsequently requested a meeting with HUD representatives to determine the strengths and weakness of the project application. There were two primary weaknesses in the application. The principle weakness was a lack of experience by SCPH in developing a project in the Norco area; the other was a lack of an Agency donation of land sale proceeds to the Project. HUD officials informed the Agency that, according to their research, a 75-unit 202 Project exceeded the percentage of need in Norco. HUD also raised site condition issues, such as grading and City issuance of a required conditional use permit. Staff and SCPH officials felt Norco would likely obtain project approval from HUD if changes were made to the Project, including reducing the number of units from 75 to 40. The Agency agreed to contribute \$150,000 for project amenities not covered by HUD funding. The Project location would be changed to the flattest portion of the site to satisfy the grading issues, and the City would issue a Conditional Use Permit. The Agency submitted a new HUD 202 application in May 1995.

In October, 1995, after SCPH was notified that HUD had selected the Norco Project, awarding funding in the amount of \$3,051,100, the Agency moved forward and prepared a Agreement with SCPH. The specific points of it were: 1) the site would consist of 1.6 acre vacant parcel; 2) the Agency would sell the parcel and the developer would purchase and develop the site for its fair market appraised value; 3) the developer would construct a total of 40 residential units for the elderly on the site; 4) the Agency would bear the cost of off-site improvements, amenities including balconies and patios, and architectural and engineering fees directly attributed to those improvements, not-to-exceed amount of \$150,000; 5) the site would only be used to provide rental housing for lower-income elderly persons age 62 and over, and other persons who are eligible for HUD 202 housing and made available to elderly persons who do not exceed 50 percent of the median area income for Riverside County; 6) the affordability period would be 40 years following the initial occupancy of the first dwelling unit and; 7) construction would begin thirty days after the closing of escrow with HUD.

In order to satisfy another issue, staff proposed that a reduction in Building and Development Impact Fees would be in order. The City had based its fee schedule on the impact the project would have on the community infrastructure, parks, schools, roads, etc. When it was determined the proposed Senior Project would have only minimal impact on schools, parks and roads, staff took a recommendation to the City Council, and Council

approved a reduction in Building and Development Impact Fees. This action would enable the Project to be constructed within the allowable budget.

As an added bonus, the reduction of the number of housing units and the availability of adjacent vacant land would enable the construction of a new Senior Citizens Activity Center. The Coalition strongly supported the concept as a means of providing quality services to tenants of the housing complex and other seniors in the community. Building the Center directly adjacent to the Housing Complex would be a direct benefit to the tenants, and a great addition to the City Hall complex located on the same street. The continued cooperation of the Coalition, City departments, and SCPH made the dream a reality. Construction of the project was completed in July 1997 at a cost of approximately \$3.5 million. The actual Agency contribution was \$101,214 for amenities not covered by the HUD 202 Grant. Agency and SCPH staff subsequently cooperated on a joint marketing effort encouraging local seniors to complete applications and participate in a lottery for the selection of tenants. The complex was 100 percent occupied immediately, and there is currently a waiting list of 90 seniors.

The completion of the Project, along with the construction of the new Center has been a direct benefit to the Community and surrounding businesses. Heritage Park, a senior complex built in 1984 located across the street from the Project, had been experiencing major vacancies. After completion of the Project, new owners of Heritage Park remodeled units, painted, landscaped and did an over all “face-lift” which resulted in 100 percent occupancy for the first time in six years. Even though Heritage Park is not a City or HUD project, residents are benefiting from the new Center and a newly senior crossing signal installed by the City for resident safety.

### **Town of Windsor Redevelopment Agency**

#### **Project Name:**

***Vinecrest Senior Apartments***

**Contact: Marla Young – (707) 838-5306**

**Description:** The Project consists of one two-bedroom manager’s unit and 59 handicap accessible/adaptable one-bedroom apartments. These single-story units are 560 square feet with individual front and rear private entries, full kitchens with pantries, and full baths (H/C units are equipped with roll-in showers). A Community Center has also been included as part of the project. Units are available to very-low and low-income seniors, aged 62 and older. Rental subsidies from HUD are available thus providing that a tenant will not pay more than 30 percent of their monthly income for rent.

The Center provides the location for Vinecrest residents to interact with each other and is the principle location for group activities. The Center’s exterior space was designed to adopt to a wide variety of activities. They include outdoor dining, dancing, arts and crafts, parties, and lectures/seminars. A large partly covered patio is located on the southern exposure of the Center, and is the primary outdoor group meeting area. A lawn,



large enough to play a game of croquet, is located adjacent to the patio. Inside the Center is a fully equipped kitchen and a large multi-use room capable of accommodating 215 people. In addition to office space for the apartment manager, there is a reception desk/office area for the Activities Coordinator, a private room where volunteer nurses offer monthly blood pressure testing, and an arts and crafts room. The Center also boasts a library equipped with three computers, two printers, a coin-operated laundry, and a central mail center. A community garden located in the project provides an opportunity for residents to raise fruits, vegetables, and flowers. The Activities Coordinator plans special interest events for residents such as, monthly potlucks, blood pressure testing, Bingo and movie nights. Various speakers are scheduled throughout the month, to discuss topics ranging from safety measures in the home to legal advice from the Sonoma County Council on Aging representatives. A monthly bulletin, *The Grapevine*, details the month's activities, communicating information about the Vinecrest community and the Windsor area. The Council's senior meals program serves hot meals to Windsor area seniors in the Center. In addition, the Sonoma County Transit senior shuttle bus stops one block away on its way to the Lakewood Shopping Center and the Windsor Senior Center and returns residents to the front of the Center.

The Agency provided a long-term loan of \$688,000 for the Project. The loan is for the term of 40 years at 3 percent simple interest; principle and interest are deferred for the term of the loan. Long-term affordability covenants were required of the non profit developer of the Vinecrest project. Due to the strong local support shown by the Agency, the developer was able to leverage the \$688,000 into the following additional loans: \$5,070,200 in HUD 202 funds, \$372,440 in HOME funds, and \$40,000 in CDBG funds.

Agency was instrumental in providing development assistance for the Project. Without local support of the Project, federal funding of over \$5,000,000 would not have been possible. The Agency also assisted the developer in receiving the necessary entitlements for the project. Due to the changing demographics, a tremendous need exists for affordable rental housing for the senior population. In addition, some of these individuals require handicap accessible living arrangements. Other problems that seniors are encountering today may include decreasing social interaction and lack of access to social services. This Project addresses many of these problems for its residents. Just prior to its opening, the Project had a waiting list of 67 eligible seniors. Currently, there are 108 eligible seniors on the waiting list, indicating an increasing need for this type of housing in this area. Funding for this type of project is difficult for a developer to obtain. To even be considered for some federal funds, a project must show strong local support especially in terms of funds available from the local jurisdiction. The Agency, being small, needed to commit its 20 percent housing set-aside funds for the Project for a period of four years. Fortunately, the Agency's \$688,000 was leveraged for more than \$5,000,000 in federal funds. Other challenges arose due to the design guidelines of HUD. Certain design elements of the Project that had been approved by the Planning Commission were considered "excessive amenities" or "prohibited amenities". Rather than expending precious funds for redesign, Agency funds were used for these specific elements. From

the Project's inception, it became increasingly evident that there was a significant unmet need for housing of this type in Windsor.

***NEW CONSTRUCTION: Owner*****Anaheim Redevelopment Agency****Project Name:*****Manzanita Walk*****Contact: Bertha Chavoya - (714) 254-4820**

**Description:** Manzanita Walk is a 46 homeownership townhouse-style condominium project constructed in partnership between the Redevelopment Agency, the City of Anaheim, Jamboree Housing Corporation (not-for-profit) and the Olson Company, a private developer to provide affordable long-term housing opportunities to low-income families. Jamboree entered into an option agreement to purchase approximately 2.7 acres of land from the Southern California District Council of Carpenter's to construct 46 affordable townhomes in Anaheim. The site is located in a low income neighborhood which is surrounded by apartment units and single family detached housing. The construction of the project has greatly enhanced the neighborhood by developing a vacant lot in the center of the neighborhood. This neighborhood is located in one of the six Community Development Block Grant Neighborhood Council target areas. The residents have been very involved in the revitalization of the area and were very supportive of the new construction affordable housing development.

**City of Tulare Redevelopment Agency****Project Name:*****Ennis Homes, 1996 HOME Project*****Contact: Howard M. Edson - (559) 685-2300, ext. 4500**

**Description:** Thirty-five, single family, 2, 3 and 4 bedroom units by Ennis Homes were completed in June 1998, with an additional 34 units completed after FY 97/98. The homes were sold to very low- and low-income families who provided one percent of the sales price toward the home purchase. Each family obtained a CHFA/FHA insured primary 30-year fixed rate loan to purchase a home. The City used HOME funds as a secondary-financing source. The Agency provided third position financing in the way of non-interest bearing deferred loans from Housing Set-aside funds which served as the HOME program match contribution. Collectively, these funds were utilized for downpayment and closing costs assistance.

**Agency Role:** The Agency provided deferred loans to participants using Housing Set-aside funds to make payments affordable. The Agency prepared and monitored draws and reimbursements by the State.

**Brief History:** According to the 1990 census, 43 percent of households in Tulare fall into the very low- and low-income categories. Without an affordable housing program, such families cannot become homeowners. The program is designed to meet the need of these families so that they may achieve homeownership in the City. The Project is one in a series of similar successful projects which the Agency has carried out to provide homeownership opportunities. To date, approximately 200 families have participated with the City and/or the Agency.

**City of Burbank Redevelopment Agency**

**Project Name:**

*Habitat for Humanity*

**Contact: Jack Lynch - (818) 238-5180**

**Description:** For several years, the Agency has been undergoing a residential revitalization program to improve a neighborhood that had been negatively effected by gang problems. The Program included the rehabilitation of apartment buildings on the block and the establishment of an after-school program. The Program has been very successful at eliminating gang-related problems and received the League of California Cities Helen Putnam Award. Nevertheless, there still remained one apartment building on the block that needed to be addressed. In fact, the inherent design of the apartment building precluded rehabilitation as an option, which led the Agency to believe that the complex should be demolished. To maintain the residential character of the neighborhood, it was decided that a new residential project should replace the existing complex and be directed to homeowners to encourage more stability in a neighborhood that had a high turnover of apartment dwellers. Ultimately, the Agency partnered with Habitat for Humanity to construct eight new townhomes on the site for very low-income families. The Project would not only help revitalize the neighborhood, but provide homeowner opportunities for residents who would normally not have the ability to purchase homes in the high cost community of Burbank. Federal Home and Agency funds were contributed toward the acquisition of the site and payment of permits and fees. Habitat contributed its ability to obtain volunteer labor and the donation of materials to build the project. The partnership has led to a community-based effort to assist eight very low-income families purchase their first homes. The project will be the crowning jewel in the Agency's neighborhood revitalization efforts, with its expected opening in April 1999.

**City of Madera Redevelopment Agency****Project Name:*****Southeast Madera Construction Loan Program*****Contact: James E. Taubert - (559) 661-5110**

**Description/Brief History:** The Program is a low interest construction loan program designed to encourage the construction of single-family dwellings in the Southeast Madera Target Area. The revolving loan fund is capitalized with tax increment and HOME funds. To date, \$3 million has been loaned and approximately \$5 million in private investment has been generated. The Program was initially capitalized with \$590,000 in Agency funds and was designed to fund ten homes at any given time. Since inception, the Program was readily accepted by the building industry and a waiting list was the norm. The Program is one component of an aggressive housing program being implemented by the City, Housing Authority and Agency. Other elements of the Program include: acquisition/demolition of substandard housing, code enforcement, land cost write-down, infrastructure improvements and, downpayment assistance. It is not uncommon to utilize two or more of these programs on a single project. Without exception, all of the programs are utilized to assist persons or families in the targeted income groups. Covenants ensure units remain affordable for a minimum of fifteen years and in some cases until 2020.

**Mendota Redevelopment Agency****Project Name:*****Hacienda Gardens*****Contact: Bruce Barnes - (559) 655-3291**

**Description/Brief History:** The Project provided offsite improvements for 169 single-family dwellings and 30 duplexes for low- and moderate-income residents. The Agency provided debt service funding. The Agency's tax increment is used for debt service on bonded indebtedness for which the bond proceeds were used to construct off-site improvements in Hacienda Gardens.

**Paramount Redevelopment Agency****Project Name:*****Calle Las Brices Street Construction*****Contact: Jess Carbajal- (562) 220-2039**

**Description:** Fourteen single-family homes were constructed. Agency funding of a public street allowed homes to be sold at affordable prices. The developer was provided a \$161,000 grant from the Agency to construct the public street.

**Agency Role:** The Agency became the conduit and provided in-kind services between the property owner, which was a banking institution, and the developer in order to merge three parcels; two of which were owned by the bank, and one by the developer. The

financial institution through its community reinvestment act requirements, participated by selling the two parcels to the developer and financing the entire development. The Agency participated in the project by providing a grant of \$161,000 for public improvements.

**Brief History:** The neighborhood where the Project is located was very blighted. In working with the developer and the banking institution, the Agency was able to provide further improvement to this part of the community, which recently had seen the development of a new neighborhood park and improvements to several other properties in the area. The relationship between the developer, the lending institution and the Agency allowed the construction of a new housing project at an affordable price. Through the assistance of the Agency, the private developer was able to bridge a gap in his funding and allowed the Project to proceed. The assistance from the Agency allowed the developer to build and sell 2,000 square foot homes at an affordable price. More importantly, it really provided a clean-up of blighted parcels of land and initiated some new community pride in the neighborhood. Several other key rehabilitation projects were initiated in this neighborhood that brought more local significance to the area, due to this development.

### **City of Durate Redevelopment Agency**

#### **Project Name:**

***Las Posadas Homes Phase II***

**Contact: Ed Cox - (626) 357-7931**

**Description:** The Project is 21 single-family homes; 8 are deed restricted to low and moderate-income households; internal circulation system, with decorative paving and landscaping throughout the Project. Incomes were in the moderate range (80 percent to 120 percent of the area median) for those qualifying for silent seconds. The Agency sold the land to the developer for a down payment and took a note for the rest of the proceeds. A pool of money, part of the note to the Agency, was used to fund the eight silent seconds. The note was repaid partially as each home was sold, and was repaid in full when all the homes were sold. The Agency received \$185,000 down, and took a promissory note, secured by a deed of trust, for the balance of the land sale, \$315,000. As each home and lot sold, the Agency granted a partial reconveyance. If the homebuyer did not need down payment assistance, the developer paid the Agency \$15,000 for the lot. If the homebuyer qualified for a silent second, the Agency received a partial reconveyance for \$15,000, the amount the buyer received from the developer for down

payment assistance. The buyer in turn gave the Agency a promissory note, secured by a deed of trust. The note from the buyer will only be due if the homebuyer sells the unit prior to the end of twenty-five (the life of the Project area). Construction financing was provided by Home Savings, and it is repaid by the end of the construction.

**Agency's Role:** The land was acquired and cleared by the Agency, and sold to the developer at a reduced market price. A portion of the proceeds was used to establish a pool of eight silent seconds of \$15,000 each; the balance of the proceeds were returned to the Low and Moderate Income Housing Fund for future development. Agency administered and monitored the silent second program. The Agency was also very involved with the design and development of the plans to ensure that the exterior of the Project would enhance the surrounding area, and that the interior of the site and the homes would be a high quality as possible. Each silent second is secured by a deed of trust and a recorded loan agreement between the homebuyer and the Agency. There is not interest or repayment, as long as the buyer owns and occupies the home. Upon resale, the Agency has the first right of refusal to purchase the unit. If the Agency passes, the homeowner can sell the unit to another household that meets the qualifying income limits, and the loan will transfer to the new owner. If the owner sells to a household that does not qualify, he must repay the second and a share of the process of the sale, to be determined at the time of the sale, based on a formula stated in the loan agreement between the homebuyer and the Agency.

**Brief History:** While there is a pool of affordable housing in the City, much of it is older construction, dating back to the late 1940s and early 1950s. There is a need for new affordable housing which is close to jobs in the San Gabriel Valley. The site had been vacant for some time, following a fire that destroyed the empty, run-down restaurant building that had been on the property. There were transients sleeping under dense bushes and various code enforcement problems which had not been adequately addressed by the property owners. The Agency was able to cleanup a highly visible blighted area, and create an opportunity for first-time homebuyers. This project design was based on Las Brisas Homes, which was built in 1996 on a different site. That project won two Gold Nugget Awards, and affordable housing awards from the Los Angeles and California State Chapters of the American Planning Association. Of the 46 high quality single-family homes created by Las Posadas Phases I and II, a total of 20 units were deed-restricted due to a successful silent seconds program, which made the homes affordable to moderate-income first time buyers. A Lighting and Landscape Maintenance Assessment District was formed to ensure long-term maintenance of all common exterior areas. Covenants, Conditions and Restrictions (CC&Rs) are recorded on the title to further maintain the maintenance of the units and the overall development. This eliminates the need for a homeowners association (HOA), and reduces the cost to the homeowners. In place of a monthly HOA fee, the maintenance is covered by a semi-annual assessment fee at a lower annual cost, and the City controls the external maintenance. Problems were minimized due to the experience learned on the Las Brisas Homes and Las Posadas Phase I Homes. It was a separate DDA and treated as a separate project, however the timing of immediately following the two projects, and the experience gained on the first two projects kept

problems to a minimum. The homes sold quickly, as the developer and Agency had a previous track record that the lenders and buyers could depend upon. This Project benefited from experience with the first two projects of the same developer and architect. The timing of the Project was very good for the existing market, and lessons learned on the first two projects made this a successful Project.

### **City of Yuba City Redevelopment Agency**

#### **Project Name:**

#### ***Housing Program***

**Contact: Robin Bertagna - (530) 822-4615**

**Description/Brief History:** The City continues to face the challenge of how to overcome the problems of providing affordable single-family housing. To meet this challenge the City continues to up grade and modernize its housing programs to meet the changing demands of today's society. The Program, which is a part of the City's ongoing affordable housing effort, is the construction of four single-family two-story homes using "rice straw bales." The Program is a partnership with the Consolidated Area Housing Authority of Sutter County and Habitat for Humanity, Yuba-Sutter.

The City teamed up with Habitat for Humanity, Yuba-Sutter, where the City purchased two adjacent parcels of land, zoned multifamily housing (R-3) from the Consolidated Area Housing Authority of Sutter County for the benefit of affordable housing. The City purchased these two lots from the Housing Authority at less than market rate. Here, under the direction of Habitat for Humanity, four single-family two-story units are under construction using "rice straw bale construction," an alternative use for rice straw. The partnership and Project have been very exciting for the City. It is very progressive and environmentally conscious and heightened the community's awareness of alternative uses for burning rice straw. (Rice is one of the top 3 crops of Sutter and Yuba counties.)

The lots were purchased using HUD CDBG funds. The City was also able to pay impact and permit fees for two units with these funds. The City then deeded the property to Habitat for Humanity, Yuba-Sutter for the purpose of affordable housing. Per the Grant Agreement between the City and Habitat for Humanity, sale of each unit must be made within 30 days of completion and must maintain affordability for 35 years. If after 35 years the family is still residing in the home, the \$20,000 forgivable note is reconvened to the family. However, if the family moves, it is the responsibility of Habitat for Humanity to maintain the period of affordability for the units throughout the 35 years. If the family moves out and does not find an income-eligible family to move in, the \$20,000 loan is due and payable.



**City of San Jacinto Redevelopment Agency****Project Name:*****Housing Implementation Strategy*****Contact: Tim Hults - (909) 487-7330 Ext. 254**

**Description Agency's Role:** The Project was adopted in 1993, with the primary focus of improving homeownership opportunities for low- and moderate-income families. Since the adoption, the Agency has been the direct sponsor toward the construction of 21 single-family homes. During FY 1997/98 seven families participated in the City's homeownership program. Four of the seven families were provided down payment assistance in order to able new detached single-family homes within the Agency's designated target areas. All four families are considered very low-income. The remaining three families received mortgage assistance which helped qualify for a new market rate home outside the Agency's target area. All three of these are considered moderate-income.

**Agency's Role:** Within the Agency's target area, construction financing was provided to a local contractor in order to construct two new homes. The financing was tied to a construction loan agreement and construction trust deed for each unit. The terms of the financing provided for the contractor to build the homes on his land, and included funds for all on-site improvements. The financing was considered short term and included no interest or payments until each individual unit was sold. At the sale of the unit, the Agency will be provided the proceeds and the construction loan agreement and the construction trust deed will be released. In addition, the Agency provided the off-site infrastructure at no cost to the developer. The seven families assisted by the Agency were provided down payment and closing cost assistance or mortgages directly out of housing fund proceeds.

**Brief History:** The Project has allowed the City to meet its goals of providing affordable housing, while at the same time increasing homeownership opportunities. However, problems were encountered when attempting to qualify the respective buyers for long-term financing. In most cases, the loan underwriters had to make concessions regarding credit history and credit problems in order to qualify the very low- and low-income buyers.

## ***NEW CONSTRUCTION: Self-Help***

### **City of Hollister Redevelopment Agency**

#### **Project Name:**

***Bridgevale***

**Contact: William B. Avera - (408) 636-4316**

**Description:** The Agency has successfully negotiated an Owner Participation Agreement with a nonprofit housing developer to construct the Bridgevale project. Bridgevale will consist of 59 single-family units, 17 very low-income units, 25 low-income units and 17 below market rate units intended to serve moderate-income families. In addition, a park will be constructed within the Project to serve the development as well as existing neighboring homes. Financing for the Project came from various sources, however, the Agency contributed \$1,027,545 to the Project. The Agency utilized both tax exempt bonds and housing set-aside funds for Bridgevale. Terms of the loan are once the homes are completed and sold, the Agency will hold a second deed of trust on the individual properties.

As with most cities in California, affordable housing continues to be a growing need and difficult to achieve. Especially in Hollister where the influence of the Silicon Valley has driven the cost of land and housing proportionally to the percentages of rising housing cost in Santa Clara County. Hollister still retains much of its agricultural heritage and many local families do not have sufficient income to purchase new market rate houses. That is why South County Housing and other developers have been very successful in fulfilling the housing needs of members in our community with assistance from the Agency. The Project is somewhat unique in that there is a self-help program for the low- and very low-income units. The families purchasing the homes must work a minimum of 40 hours a week. The Agency assisted in another self-help project very similar to Bridgevale known as Primavera. That project is very successful with great deal of neighborhood pride and looks better than new. Since the Project is very similar to past projects, there were no significant problems encountered or new lessons learned in the development of the agreement.

### **City of Cloverdale Redevelopment Agency**

#### **Project Name:**

***Citrus Gardens***

**Contact: Joe C. Hecke - (707) 894-1701**

**Description:** The Project was started in the prior year and completed this year. It is composed of 41 single-family homes. The Project was developed through "sweat-equity", which enabled low-income families to gain homeownership. The Agency loaned

\$75,000 to the Project's developer, Burbank Housing Development Corporation, a nonprofit organization. Total costs of the Project were \$4.2 million. The loan was repaid to the Agency in 1998.

**Agency Role:** The Agency first worked with the Burbank Housing Development Corporation to identify possible sites for the Project through a parcel inventory search, as well as participating in predevelopment financing as noted above.

**Brief History:** The City's goal was to enable families, who would otherwise be unable to participate, qualify for homeownership.

### **City of Concord Redevelopment Agency**

#### **Project Name:**

***Mt. Diablo Habitat for Humanity Ellis Street Townhouse Development***

**Contact: Janet Kennedy - (925) 671-3455**

**Description:** In July 1997, City staff began discussions with Mt. Diablo Habitat for Humanity (Mt. Diablo) regarding the development of townhouses on an Agency-owned property located at Ellis Street and Clayton Road. The proposed development will offer homeownership opportunities to low-income families and develop an attractive neighborhood where currently a vacant lot exists. The proposed project is for 16 townhouse units to be subdivided and sold to low-income families. Fifteen of the units will be two-story (eight 3-bedroom and seven 4-bedroom units) and one will be one story (5 bedrooms). The sales price of the homes is estimated to be between \$95,000 - \$105,000. Qualifying families could have annual incomes as low as 40 - 50 percent of Area Median Income or \$18,900-\$31,650 for a family of four. Families who wish to purchase homes through Mt. Diablo must commit to 500 construction hours after being selected to participate. Selected residents will be taught home-maintenance and personal budgeting skills through Mt. Diablo's family partnership program. Mt. Diablo has requested \$1,076,000 in land and funding from the Agency as follows: 1) "donation" of the subject property, which is currently owned by the Agency. The Agency has entered into an Exclusive Negotiating Right Agreement on the Ellis Street property with Mt. Diablo with an established sale price for the property of \$1. Early in 1998, the property was appraised at \$500,000 and; 2) a \$576,000 loan from Agency Housing Set Aside funds. Of this requested amount, Mt. Diablo has already been provided with a \$30,000 Predevelopment Loan (approved June 9, 1998). The major source of funding for all Habitat for Humanity homes is donations and volunteers. Mt. Diablo has also requested assistance from the following parties: 1) \$1,076,000 from the Agency (land and loan); 2) \$365,000 loan from Contra Costa County's HOME program; 3) \$180,000 from Habitat for Humanity International and, 4) \$160,000 grant from Federal Home Loan Bank, Affordable Housing Program through World Savings (for downpayment assistance).

**Agency's Role:** The Agency committed both land and funding to the Project. Following are some of the results of the Agency's substantial commitment in the Project: 1) assisted in further development of the project by providing a predevelopment loan; 2) lowered the cost of each unit by approximately \$31,000 by essentially donating the Agency land rather than selling it at the appraised value. Lowering project costs contributes to the deep affordability of the project; 3) enabled Mt. Diablo to lower project costs without increasing density [both Mt. Diablo and City staff felt that increasing density would have led to a less attractive project]; 4) reduced the development schedule from four years to two and one half years. Mt. Diablo will be able to complete the project in a shorter time frame because they can finance soft costs and some overhead with Agency funds and 5) homes will be kept affordable for at least twenty years. The Agency will place affordability covenants and resale restrictions on each property.

**Brief History:** In October 1996, the City Council reviewed a list of acceptable alternatives uses for the Redevelopment Housing Set Aside funds. The Council determined that, along with multifamily rehabilitation, first time homebuyer opportunities and self-help housing development should be a very high priority. The Mt. Diablo proposal would accomplish both of the Council's objectives by providing newly constructed homes to low-income families. Mt. Diablo has been able to bring together several funding sources thereby enabling them to provide for the deep affordability of the Project. Mt. Diablo expects the following outcomes from the project: 1) increasing affordable homeownership opportunities for low- and very low-income residents; 2) increasing pride and ownership among low-income residents involved in the process; 3) increasing pride among Concord residents and businesses who are contributing to the improvement of their own community; 4) teaching home-maintenance and personal budgeting skills to selected residents; 5) increasing citizen, faith community and business involvement in community development through volunteerism; 6) increasing property tax revenue from site improvements and, 7) improving the appearance of a downtown vacant parcel. To date, this project is the largest Mt. Diablo development. The Project will offer homeownership opportunities to very low-income families. The Agency has encountered problems not with the Project, but in developing the subject property. The site was purchased with Agency Housing Set Aside funds in 1990 for a nonprofit developer. The Project did not move forward and in 1996, the title of the property was transferred back to the Agency. To avoid the previously encountered problem of having the nonprofit agency own the property than not proceed with the Project, the Agency chose to enter into an Exclusive Negotiating Right Agreement with Mt. Diablo. Although Mt. Diablo

has an agreement to purchase the site, the ownership of property will not change until all terms of the Agreement are met. This agreement allows the Agency to retain ownership of the site until the Agency is satisfied that the Project will move forward.

### **City of Clovis Redevelopment Agency**

#### **Project Name:**

***Music Avenue Self-Help Project, Phase II***

**Contact: Tina Sumner - (559) 297-2495**

**Description:** During FY 1997/98, Phase II construction of 10 homes was completed. Self-Help Enterprises was the developer, assisting 10 families in the construction of their new homes. Construction of the houses took ten months. The work the families did on the houses was converted to “sweat equity” of \$10,000. The primary mortgage was provided by CHFA. Families were also given affordable second and first mortgage. The second and third mortgage loans were funded by 20 percent housing set-aside tax increment and the HOME Program. The City received a grant through the State’s BEGIN Program for the second mortgage loans. One of the homes was the 1000<sup>th</sup> self-help home financed by CHFA.

**Agency’s Role:** The Agency played the central role in this project. The Project is classic redevelopment. All of the elements for blight were there: irregular, land-locked parcels, numerous property owners, failure to develop as the rest of the City built-up around it, high cost to develop due to installation of street improvements, utilities, storm drain system, and undergrounding of a flood control creek, and a low-income neighborhood in which property sale prices would not support high development costs. The Agency began by determining that the best development for the area would be single-family owner occupied homes. The Agency bonded its tax increment to fund the off-site improvements. A tract map was completed providing for the installation of street improvement, utilities, storm drainage, and the undergrounding of Pup Creek. These improvements cost the Agency approximately \$1.2 million. It was necessary to negotiate with 22 property owners to purchase portions of their property. The Agency Board was not interested in using eminent domain so trust and good will were critical in the negotiations. Once enough property was obtained the Project began. Several of the negotiations have been ongoing and have only recently resulted in property acquisition. When the Project is complete 36 single-family homes and a four unit condominium will be owned and occupied by low- and very low-income households.

**Brief History:** The City struggled for several decades over what to “do” about the Music Avenue area. As the City expanded around it, it became an increasingly blighting influence. The City tried to encourage development in the area by rezoning a large portion of the area to a multiple family use and twice attempted to create improvement districts. None of these efforts were successful and the area continued to be a concern. When the Agency got involved there was significant ill will between the residents of the area and the City. The residents were skeptical that the Agency could be successful due to

the decades of inability of the City. The Clovis Community Development Agency began this project in 1989 with discussions of how the Agency could be involved in the improvement of the blighted residential neighborhood. The Music Avenue area is in the core area of town and was developed with disproportionately narrow, deep lots. Residents build their homes on the street frontages of Sunnyside and Music Avenues leaving large back-lot areas that were landlocked and undevelopable. The Agency worked with 22 property owners to purchase portions of their properties. Over a four year period the Agency purchased enough property to complete a tract map creating access and lots for building. A partnership with Self-Help Enterprises, a nonprofit organization from Visalia, resulted in the construction of 20 homes with 10 more houses in the planning stages. Other nonprofit partners are building in the area as well, creating an additional ten affordable homes.

## ***HOMEBUYER ASSISTANCE***

### **Downey Community Development Commission Agency**

#### **Project Name:**

***Downey Homebuyer Assistance Program***

**Contact: Mark Morris - (562) 904-7167**

**Description/Brief History:** The Agency provides assistance to low- and moderate-income renter households to purchase existing homes in the City. The Agency's Housing Funds and Federal HOME Funds are used to make purchasing a home more affordable. The Program uses a gap financing approach and provides a second mortgage. The Program provides up to \$30,000 in a mortgage loan at zero percent interest rate with no monthly payments. This loan is used by the homebuyer primarily to increase the size of their down payment, and for closing costs. The Program is available only to first-time homebuyers. Six families purchased homes with this Program during the reporting period. Each buyer was required to attend a homebuyer training session. In addition, each buyer can participate in the Mortgage Credit Certificate Program, which improves affordability via income tax credits. Two private mortgage lenders participated with the City in this program. These lenders have provided first mortgages financing in the amount of \$767,000.

### **County of Santa Cruz Redevelopment Agency**

#### **Project Name:**

***First Time Home Buyer Program***

**Contact: Tom Burns - (408) 454-2280**

**Description:** The Program consists of down payment and closing cost "silent second" loans for first-time homebuyers. Since the Program's inception in May 1997, the Agency has assisted in the purchase of 32 single-family detached condominiums or PUD owner-occupied units. Resident incomes are less than 80 percent of median as adjusted by household size. The services provided are loan review, underwriting and funding, and homebuyer education class by the first lender. The Agency provided funding of \$500,000 for FY 98/99. The maximum loan of \$25,000 is deferred with no monthly payment and no interest (with exceptions for default or transfer of ownership) for the first five years. Payments begin during years one through five if borrower obtains a third deed of trust. 25-year fully amortized payments start on the anniversary of the sixth year at 5 percent interest. Payments are not required under most circumstances if the housing debt-to-income ratio (including a utility allowance) is more than 30 percent.

**Agency Role:** The Agency provides First-Time Homebuyer Program Guidelines, affidavits, loan documents and escrow instructions to interested first lenders who prepare and submit loan applications to the Agency from likely homebuyer candidates. Applications are reviewed underwritten and approved (or denied) by Agency staff who

prepare and forward loan documents to escrow, attend the loan document sign-off, and wire transfer funds to escrow. Owner-occupancy is verified annually thereafter by the Agency.

**Brief History:** The County is one of the least affordable housing markets in the United States according to several recent reports. The California Association of Realtors reported in 1997 that “Housing affordability along California’s central coast is well below the statewide average and new home construction is meager. Only in the County where housing affordability stands at 30 percent, is building activity sizable. This is caused by a considerable spill-over from booming Silicon Valley.” And a 1998 study published by the National Association of Home Builders (NAHB) Economics ranks Santa Cruz-Watsonville area the second least affordable metropolitan area in the County. In this context, the Agency sponsored a FTHB Program for low-income households to purchase houses in the unincorporated County area. The Agency recognized that with modest financial assistance, renters could become homeowners with little or no increase in their housing costs.

### **Selma Redevelopment Agency**

#### **Project Name:**

#### ***Down Payment Assistance Program***

**Contact:** Esperanza Velazco – (559) 896-2610, extension 114

**Description:** On April 16, 1998, the City implemented its Down Payment Assistance Program. The types of units to be acquired with this Program are single-family dwellings. To date, no report has been furnished to the City by the County as to the number of loans approved within the City. Funding and loan applications are to be processed for the City by the Fresno County Public Works and Development Services Department, Community Development Division. Loans available to qualified applicants are from \$1,000 to \$4,000 at zero interest and deferred payment. Qualifying incomes are within the very low- and low-income limits.

**Agency Role:** The Agency staff is to provide information and guidance for the public regarding the program. The Agency is providing no financial assistance to the program.

**Brief History:** Recent research demonstrates that a larger percent of low-income person’s salary is being used to pay the rent. This makes the dream of owning your own home even more unattainable by someone in the low- or very low-income bracket. The program is needed more now than ever.



**Coalinga Redevelopment Agency****Project Name:*****Core City Down Payment Assistance Program*****Contact: Patti Culver - (559) 935-1533**

**Description/Brief History:** The Program did not begin until August 1998. The residential homes are for low-and moderate-income families. The Agency funds one half of the down payment and/or closing costs for qualified applicants. No down payment assistance offered previously for resale homes; low-and very-low income families were targeted.

**Stanislaus County Redevelopment Agency****Project Name:*****First Time Homebuyer Program*****Contact: James Duval - (209) 525-6330**

**Description/Brief History:** The Program provides 10–20 units per year of single-family, detached homes for very low-and low-income families. One of the services provided is funding to assist with down payment and closing costs. The Agency funds a maximum of \$3,000 per transaction with no interest and a declining balance for forty years; forgiveness is prorated daily. The Agency provides ‘hard-to-accumulate’ down payment funds and offers homeownership and a care program. The Program made the ‘American Dream’ reachable by more very low-and low-income households. The lessons learned were that there will be a few cases that do not honor first deeds of trust and that foreclosure will subsequently occur. The Agency deposits an additional 5 percent of its gross tax increment to its housing set-aside fund.

**City of Hanford Redevelopment Agency****Project Name:*****First-Time Homebuyer Programs*****Contact: Susan Alvarez - (559) 585-2587**

**Description/Brief History:** The Project is the most successful and highly desired program that the Agency provides. The First-Time Homebuyer Programs are split into two separate projects labeled as the RDA First-Time Homebuyer Program and the HOME Sweet Home First-Time Homebuyer Program although both programs use RDA funds. The RDA First-Time Homebuyer Program is funded only with 20 percent set-aside funds solely and assists very low- to moderate-income first-time homebuyers with downpayment and closing cost assistance up to \$5,000. This program provides a silent second that is deferred for the first five years of the loan. Beginning in year six, payments start and the loan is amortized over a ten-year period at a 5 percent interest rate. The HOME Sweet Home First-Time Homebuyer Program is funded with HCD-HOME funds that are matched with RDA 20 percent set-aside funds. The Program assists very low- to low-

income first-time homebuyers with downpayment, closing cost and mortgage reduction assistance up to \$20,000. This Program also provides a silent second that is deferred for the first ten years of the loan. Beginning in year eleven, payments start and the loan is amortized over a twenty-year period at a 3 percent interest rate. Combined both programs assisted sixty-four homebuyers achieve affordable homeownership during the reporting period. The combination of the two programs allows us to assist those that may be in the moderate-income bracket, but still find it hard to accomplish homeownership.

### **Clearlake City Redevelopment Agency**

#### **Project Name:**

***First-time Homebuyers Program***

**Contact: Mary Jo Dutra - (707) 994-8201 x120**

**Description/Brief History:** The Program provided 13 units of single-family dwellings for low-to very low-income families. The service provided silent second mortgage deferring payment for 30 years. Agency and HCD provided funding and the finance arrangements were deed of trust and deferred for 30 years or as long as the owner occupied the dwelling. The nature or extent of Agency assistance was to provide silent seconds and grants to the elderly residents who had very low incomes. The housing need or problem addressed was the shortage of single-family dwellings to buy for low-income people. The problem that was encountered was that many applicants had bad credit and were unable to obtain a first mortgage.

### **City of Fillmore Redevelopment Agency**

#### **Project Name:**

***Down Payment Assistance Program***

**Contact: Vance Johnson - (805) 524-3701**

**Description:** The Agency was developed by the City in 1993 and 1994 to address the difficulties that first-time homebuyers were experiencing in affording home purchases. The Program was designed to assist families of two or more to purchase their first home. The Agency funds fifteen percent or \$25,000, whichever is less, toward the purchase price of a home for qualified applicants. The Program uses redevelopment funds to help create and preserve affordable housing for low- and moderate-income persons. The applicants must be able to contribute five percent of the purchase price of the home, in addition to closing costs, which is normally three percent, for a total of approximately 8 percent. This amounts to approximately \$12,000 for a \$150,000 home. In addition, the homebuyers must have sufficient stable income to be able to support the house payment, as per underwriting requirements of the holder of the first mortgage. The eligible applicants must be a family of two or more and never have owned, or been part owner of, any residential property currently or in the past, whether by inheritance, purchase, or inclusion in the title for any reason. The applicant must plan to occupy the property as their primary residence for the entire term of the loan, and not as rental property and have a combined

family income below 120 percent of the area median. The eligible property must be any single-family detached or attached home and within the City limits. The property must be designated for residential use under the current General Plan and must meet occupancy standards of the California Health and Safety Codes.

**Agency Role:** The Agency will carry a Second Deed of Trust, where the borrower need not make payments on. However, at the time of sale or transfer of the property, the loan will be due and payable. The Agency will receive the original loan amount, plus a percentage of the net equity. If the purchase remains in the home for 30 years, the loan will be forgiven. The applicant must secure funding from a recognized lender for the First Mortgage prior to receiving RDA funding.

**Brief History:** In past years, this Program has been funded for \$400,000, which allows for at least sixteen home purchases. We were able to maximize the use of the program in FY 1996-97. The budget has been reduced to \$175,000 for FY 1998-99, which will allow for only seven successful applicants. Since its inception, this program has assisted 57 purchasers, with 9 more assisted with a specialized program similar to this, but restricted to one particular tract. Community interest is intense and wide-spread, and the City intends continuing the program into the foreseeable future.

### **City of Fresno Redevelopment Agency**

#### **Project Name:**

***Low Income Homebuyer Program***

**Contact: Roxane Morse -- (559) 498-2637**

**Description:** The Low Income Housing Program (LIHP) helps families with low incomes to buy homes by providing loans for part of the sales price of the home. Some of the benefits of this special program are: 1) up to \$19,400 in financing, 2) no payments for the first five years; 3) no loan fees; 4) low interest rate - 5 percent (does not start until after the fifth year), and 6) the loan can be assumed by future low-income buyers upon resale. The project provides 5 single-family owner-occupied residences. The residents incomes are less than 80 percent of the median income. The services provided are homeownership assistance. The Agency provided LIHP loans of \$80,760 and LIHP leverage of \$403,800 in private financing. The Agency arranged a 5 percent silent second financing with payments deferred for 5 years.

**Agency's Role:** The Agency participated 20 percent mortgage assistance to low-income buyers, with 5 percent with borrower and 75 percent with local lenders.

**Brief History:** The Project provided homeownership assistance for lower income neighborhoods. It created homeownership opportunities for lower-income families. In addition to a 5 year silent second allowing the borrower to qualify based on debt service of primary loan. The problems encountered were understanding the program, marketing and lender participation.

## **City of Arcata Redevelopment Agency**

### **Project Name:**

***First Time Homebuyer***

**Contact: Ken Curtis – (707) 825-5955**

**Description:** Modified First Time Homebuyer Guidelines to incorporate suggestions from homebuyers, private lenders, other agencies, and the City submitted the guidelines as part of the City's 97 HOME grant application. An estimate of 36 housing units were provided to residents with low-and very low-income. The services provided were deferred payment second mortgages. The Agency provided funding of \$100,000 and made financing arrangements of 50 percent of loan balance at 2 percent interest and the remaining 50 percent is deferred at zero percent.

**Agency's Role:** The Agency provided financing and provided \$100,000 in financial participation.

**Brief History:** The Project retains 36 housing units for a 30-year term and spreads assistance by requiring 70 percent private financing. Prospective buyers who have secured a commitment letter from a lending institution for a specific property and have met all first time homebuyer requirements are required to attend a training program. The program will provide needed information for people who have not previously experienced homeownership and the responsibilities that it entails. During the training session emphasis will be put on the responsibilities of homeownership which will include the importance of making timely house payments and maintaining the home to retain the value of the investment.

The problems encountered is if large maintenance problems occur, the homeowner may not have enough savings or may not be able to borrow sufficient funds to adequately repair the home. The lessons learned were to ensure that all prospective applicants attend the training program.

**City of Rocklin Redevelopment Agency****Project Name:*****First Time Homebuyer Downpayment Assistance Program*****Contact: Cindy Schaer - (916) 632-4050**

**Description:** The Agency's First Time Home Buyer Downpayment Assistance Program has been extremely successful. The Program provides low interest, deferred loans in the form of a second loan to eligible first time homebuyers. As the Program progressed a number of changes were made. Because CDBG funds were used with Phase I, all ten loans were required to be made to households with incomes at 80 percent of County median or less. With the expansion of the Program, and financing solely by the Agency, the income eligibility was increased at 100 percent of County median income. Following this change, all of the loans in Phase II were to families ranging from 80.8 percent to 92 percent of County median. Interestingly though have been to households over 80 percent of County median income.

**Agency's Role:** The Program was originally financed with a CDBG funds of \$100,000 and matched by the Agency with another \$100,000. This original funding was called Phase I. As funds were expended, the Agency Citizens Advisory Committee has consistently recommended continuing the Program resulting in the funding of additional Phases II, III and IV. These last three Phases have all been financed entirely with Agency funds. The popularity of the Program has resulted in the financing of thirty-three loans as of December 22, 1998. Of these thirty-three loans completed thus far, the average loan balance is \$21,237.

**Brief History:** When the Program was initiated, a conscientious decision was made not to target a specific neighborhood but rather allow families to consider homes in any neighborhood throughout the City. In fact, assistance has been provided in a diversity of neighborhoods resulting in a good success rate at "inclusionary" type housing whereby affordable housing is being provided throughout the City. There is one neighborhood which is located in an older part of town, developed over 20 years ago as a County project and later annexed to the City. Housing in this neighborhood has predominately been a rental market. A number of families with incomes in the 39 percent, 48 percent and 59 percent of County median income ranges have been given the opportunity, through this Program, to purchase a home and selected this older neighborhood.

The Program's success is not only measured by the number of families assisted but also the ability of the Agency to provide a means for hardworking people to afford to live in Rocklin. The cost of housing in Rocklin is higher than nearby Roseville and substantially higher than Sacramento. Although the City is located in Placer County, the fastest growing County in the State, and Rocklin itself is one of the fastest growing cities in the region, the inventory of homes affordable to families with incomes less than 100 percent of County median is small. When the Agency stepped up to meet the needs of hardworking people who just could not save the large downpayment needed in today's housing market, a whole new opportunity was made available. People who worked in Rocklin but could

not afford to live here, people who lived and rented in Rocklin to keep their children in the Rocklin public school system, and employees of new companies recruited as part of the City's economic development efforts were all able to purchase a home utilizing the Agency's Program in a community previously "out of reach" for them financially. The benefits to the City/Agency have been changes from rental to owner occupancy, increased pride in the neighborhood and community, and the provision of affordable housing for hardworking families.

### **Victorville Redevelopment Agency**

#### **Project Name:**

***First Time Home Buyers Mortgage Assistance Program***

**Contact: James M. Quinn - (760) 245-6588**

**Description:** Mortgage Assistance Program(MAP) has been in use for six months of FY 1997-1998. Approximately \$142,894 has been used to benefit 64 low to median income households in their acquisition of a single-family detached unit in the City. MAP had extended this opportunity of homeownership to first time homebuyers and directly assisted 6 very low-income households, 34 low-income households and 24 median-income households. This down payment participation has assisted in facilitating the sale value of approximately \$4,675,422 in single-family units for the City.

**Brief History:** FY 1997-1998 was the first in which the Agency was able to utilize a MAP to assist first-time home buyers with low and median incomes. MAP has been designed to assist low-and median-income households with down payment assistance and is secured as a ten year loan in a subordinate position to the primary mortgage finance. The loan shall become due and payable if the single-family dwelling unit no longer becomes the households primary residence or if the dwelling unit is sold.

### **City of San Jacinto Redevelopment Agency**

#### **Project Name:**

***Housing Implementation Strategy***

*See "New Construction: Owner"*

## ***ACQUISITION AND REHABILITATION***

### **City of South Pasadena Redevelopment Agency**

#### **Project Name:**

***Acquisition Rehabilitation Resale Program***

**Contact: Anne McIntosh - (626) 403-7239**

**Description/Brief History:** The City adopted and implemented the Program in FY 1997-98. The impetus for the Program comes from the proposed extension of the 710 Freeway through South Pasadena and Pasadena. This extension has been planned for many years, and accordingly Caltrans purchased properties in the proposed freeway right-of-way. However, the decision has been made to reroute the freeway, resulting in surplus properties for Caltrans. There are currently 57 surplus properties owned by Caltrans, which they intend to sell. Approximately 15 of these properties have already sold. The City developed the Program to put itself in the position to be able to rapidly respond to future property sales and to be the selection of choice for those sales. These homes will be sold with affordability restrictions in place for 30 years. Similar homes in South Pasadena that are in good condition are selling in the \$300,000 range. However, the average family of four earning an income that does not exceed the low-and moderate-income thresholds can only afford a house which costs \$160,000 or less. The City completed a Request for Qualifications process to select pre-qualified for-profit and non-profit companies. Each project involves a non-traditional sector of the local economy. Prospective tenants for the Town Square include a new Hartnell College campus a three screen movie theater, restaurant and various retail uses. Projections suggest the City will grow at about 4 percent per annum. The existing housing stock and vacant lands for new residential construction are adequate to meet expected demand. Water and sewer services are also able to meet anticipated demand. A coordinated regional approach to economic development is supported by the City. Further, such a strategy should be linked to an urban centered growth policy which maximizes resources and compatible land uses.

### **City of Montclair Redevelopment Agency**

#### **Project Name:**

***Central Avenue Purchase Program***

**Contact: Christine Sanchez Caldwell - (909) 625-9413**

**Description:** During FY 97/98, the Agency embarked on an innovative program designed to promote affordable housing and beautify the City. Agency staff to made purchase offers for single-family residences located on Central Avenue, the City's main north/south thoroughfare. The purpose behind implementation of such a program was to improve the appearance of the corridor while providing low- to moderate-income rental housing opportunities. Agency staff is authorized to make purchase offers to current single-family residences, not to exceed \$135,000, subject to subsequent authorization of the Board. This action was designed to make the Agency more competitive in the real estate market,

after determining that the process to make an offer on behalf of the Agency was too lengthy to be competitive with other buyers. This became evident when the Agency unsuccessfully attempted to purchase a desirable single-family residence on Central Avenue in May 1997.

**Agency's Role:** The ultimate goal of the Agency is to improve Central avenue residences, maintain them in high City standards, and provide rental housing opportunities. The Agency has been particularly interested in acquiring the "tired" looking houses. Central Avenue is predominately a commercial corridor. There are stretches of the corridor that are zoned single-family residential, however, the General Plan designates the majority of the street for commercial uses. Aware of this fact, many of the properties have been purchased for future commercial speculation, resulting in a great number of absentee owners. With continued proliferation of absentee owners the residential portion of the corridor has progressively deteriorated.

**Brief History:** The Agency purchased its first two properties under the Program in Fall 1997. The two single-family residences were vacant three-bedroom homes located adjacent to each other. The close proximity of the two properties enabled the Agency to make a positive impact on Central Avenue. One of the properties was located on a very visible corner and considered one of the worst maintained properties in the City. The property was a HUD repossession and had been vacant for several months. The Agency was able to purchase the property directly from HUD for a below-market price in an "as is" condition. In order to bring the property up to habitable living standards immediate substantial rehabilitation was necessary. Utilizing Housing Fund moneys, the Agency was able to substantially rehabilitate the property and make it one of the more attractive residences in the City. The homes were soon afterward rented to low- and moderate-income families at an affordable rent pursuant to Health and Safety Code Section 50053. The Agency is able to maintain the properties at high City standards by implementing a property maintenance schedule and by carefully screening potential tenant applicants, and establishing responsible tenant rules. The Agency received a great amount of positive feedback regarding the acquisition and subsequent rehabilitation. The Agency is committed to continuing to evaluate each Central Avenue property after being listed for sale. The Agency hopes to acquire those residences that are in deteriorated condition, require immediate attention, and are for sale. It is anticipated that the Agency's involvement in purchasing and rehabilitating residences on Central Avenue will create a resurgence in pride in the neighborhood.



**City of Palmdale Redevelopment Agency****Project Name:*****Summerwood Townhomes*****Contact: Laura Archuleta – (805) 267-5126**

**Description:** The Summerwood Townhome complex consists of 54 one-and two-bedroom units. Fifty-three of these units upon completion have been made available to very-low and low-income families. 50 percent of the units must be made available to families whose income is below 50 percent of the area median income, and the remaining 50 percent of the units must be made available to families whose income is below 40 percent of the area median income. Along with the rehabilitation, the nonprofit developer offers after school programs and activities for residents. The scope of work also included a modern play area for the children where no such item existed previously. Tenants are also assisted in learning how to better care for their new home by the management staff who are available to assist residents where possible.

**Agency's Role:** The Agency financially supported the Project by first committing \$1,800,000 in Housing Set-aside funds to be made available in the form of a loan. The Housing Authority then issued \$800,000 in bonds which were purchased by Washington Mutual Bank in the form of a loan which sets in first position as the First Trust Deed. Repayment of this debt is covered by the projected income generated by the property. The Agency then applied Affordable Housing Program funds awarded by the Federal Home Loan Bank to the project developer Southern California Housing Development Corporation in the amount of \$408,000. After the first trust deed is repaid in 30 years, the Agency will continue to receive revenue from the Project for an additional 25 years through a split revenue agreement that will eventually repay the \$1,800,000 the Agency originally loaned for the Project. The Agency not only committed housing set aside funds, but the Housing Authority also issued the bonds making available the financial relationship with Washington Mutual Bank. The Agency also oversaw the rehabilitation and monitored construction progress as well as rehabilitation progress payments.

**Brief History:** Within the Downtown area, there existed a need for safe and affordable housing. The City and the Agency committed themselves to rehabilitating existing housing complexes and creating affordable housing in the Downtown area that surrounds an existing central park. The Project is the fourth to be completed in the Downtown area. The Agency learned that this commitment to revitalizing housing in the Downtown area also motivated other property owners, who also began rehabilitating their properties as well and the overall effect within the area has been overwhelming.

**City of Vacaville Redevelopment Agency****Project Name:*****Vacaville Gables Apartment*****Contact: Terry Rogers - (707) 449-5665**

**Description/Brief History:** Gables Street, located within the Trower Neighborhood in north Vacaville, was developed in the 60s as a series of 2-bedroom, 4-plexes and 8-plexes, each on a separate parcel. The site layout and design, high density, no amenities, and individual parcels became “investment rental property” for the lower end investor. Over the intervening 30 years, the area has been plagued by fractional ownership and property management, absentee landlords, and low maintenance. With no unifying force on the street and little or no involvement from owners, the street continued to devolve based on the lowest common denominator effect. As the physical conditions continued on a downward spiral, so did the nature of the property. Crime, gangs, drugs, overcrowding, and blight grew as the residents responded to an environment where the owners clearly did not care about the properties. Ten years ago, Gables Street was the norm within the Trower neighborhood. In the intervening ten years, the Agency has invested over \$4 million in the neighborhood to assist a local nonprofit developer to acquire and rehabilitate 157 units as permanently affordable housing. Gables Street represents one of the last problem areas within the neighborhood.

The Project entails acquiring 80 adjacent units located on 20 separate parcels along the north and south side of Gables Street. In addition to the standard repair and rehabilitation work, the project provides several major changes to improve the quality of life at the complex. One 4-plex will be demolished to provide a large open area for the residents. A second 4-plex will be converted into a large community room on-site manager's unit/office, and a laundry facility. Sixteen small 2-bedroom units will be completely gutted and rebuilt as eight large 3-bedroom units. The Project will have a traffic circle mid-block to discourage the amount of drive-through traffic and to calm and slow vehicles that do venture through.

**Agency Role:** The Project rent and occupancy will be restricted with all 65 units affordable to households earning less than 60 percent of the area median income (AMI). The \$60 million cost of the Project is being financed with tax exempt bonds, 4 percent federal tax credits, and Agency funds. The Agency's participation includes \$1,050,000 of HOME funds and \$1,050,000 of 20 percent set aside funds from the Agency's Low-Income Housing Fund.

**City of San Diego Redevelopment Agency****Project Name:*****Little Italy Neighborhood Development*****Charyle Minet - (619) 236-6138**

**Description:** The Project involves the development of a mixed residential block which combines several different development components. As the name indicates, the project is located in the Little Italy Neighborhood of Downtown and includes: 1) 37 apartment units in four story building, 2) 2 residential units in mixed use building, 3) 16 for sale row homes, 4) 4 rental loft units/mixed use and, 5) 13 unit/rental live/work lofts. Over half of the units will be restricted to low- and moderate-income households. The period covered by the affordability restrictions ranges from 30-55 years.

The Project serves as a “demonstration” project which shows that smaller scale, mixed income housing can be in-filled in an urban setting. The Project provides a variety of housing types and prices, and attempts to establish a community within the community. By developing the LIND block in several pieces, smaller, local developers were able to obtain the necessary bonding and financing to participate in the Project. The Agency provided the following assistance to each part of the project: 1) land acquisition and related costs of \$2,900,000, 2) a loan of \$1,684,270, 3) Agency rehabilitation loans of \$118,500.

**Agency’s Role:** The Agency acquired the site at a cost of approximately \$2.9 million, including relocation and related acquisition costs. Originally it was anticipated that the Agency would solicit proposals to attract a ground level grocery store with housing on the upper floors. The development of a downtown Ralph’s market reduced the need for a grocery store. Therefore, an RFP was issued soliciting a residential or mixed use project. Developers were given great flexibility in their submission of proposals. Ultimately, the Agency entered into four Disposition and Development Agreements with three separate developers. It was determined that this approach could result in a unique application of the Little Italy Focus Plan. In addition to acquiring the site, the Agency agreed to provide off-site improvements, and gap financing in the form of construction and rehabilitation loans of approximately \$1.8 million.

**Brief History:** The Project addresses the Agency’s need to provide low-and moderate-income housing. It meets a need for housing as identified in the Little Italy Focus Plan and provides for a mix of housing types, housing prices, and type of ownership. The LIND block services as an example of a community within the community by integrating several different development components. The Project has been well received. Completed components have sold out. Demand for yet to be completed rental units has been very strong. Several smaller developers were able to participate due to the reduced size of the individual components. A mixture of styles and architecture have been blended to create a block which is different but cohesive. Problems encountered included

the difficulty in the negotiation of four separate DDA's and the timing and coordination of the various developments. The most important lesson learned was that by developing partnerships with the private sector and by encouraging the creativity of the development community it is possible to create a project in which the sum of the parts is greater than the whole.

### **City of San Juan Capistrano Redevelopment Agency**

**Project Name:**

***Community Enhancement Housing Program***

**Contact: Lynnette Adolphson – (949) 443-6324**

**Description:** The Project provides 14 owner-occupied condominiums for residents with income of 100 percent median and below. The services provided were homeownership education. The Agency provided bond financing for acquisition and rehabilitation and used the low-and moderate-income housing fund increment used to pay debt service on taxable bonds.

**Agency's Role:** The Agency acted as the purchaser/financier and acquired condominiums at a 30 percent discount from FHA. Rehabilitation of the units are underway. Upon completion, the Agency will resell rehabilitated units to income eligible households.

**Brief History:** The Project fulfilled the need for homeownership and made previously rented units available to first time homebuyers. The Agency used a non-profit to oversee management and resale of the units. The only problem encountered was the limited number of FHA units.

### **City of Orange Redevelopment Agency**

**Project Name:**

***Adams Triplex I***

**Contact Mary Ellen Laster - (714) 744-7211**

**Description:** The existing apartment triplex, located at 1837-1841 East Adams Avenue, consists of one 1-bedroom unit and two 2-bedroom units. All of the units are restricted for a 30-year period to low-income households with incomes not exceeding 60 percent of the County's median income. An after-school learning program, which includes a computer lab, is available to residents.

**Agency's Role:** The Agency provides Housing Set-aside for the project. The total estimated acquisition and rehabilitation cost was \$259,900. Orange Housing Development Corporation (OHDC), a local nonprofit housing developer, obtained a 30-year loan of \$115,000 to cover a portion of the acquisition cost of \$188,600. Funds were allocated for the balance of the Project cost as follows: a grant of \$48,544 in Housing Set-Aside funds from the Agency, and a loan of \$96,056 in federal HOME funds. During

the year, the Agency prepared an Economic Development Strategy and Work Plan, a long-range strategy to address the City's needs. Several declining multifamily residential areas were identified in the Strategy and Work Plan as neighborhoods where the Agency's efforts should be concentrated. Located between the 55 Freeway and Tustin Street, East Adams Avenue is within one of these "Special Interest Areas". In the recent past, the Agency and City invested Housing Set-Aside funds and federal HOME funds in two other projects in the area: The 24-unit Orange Garden Apartments and the 56-unit Plaza Garden Apartments. Involvement in the Adams I Triplex is a continuation of this effort to create safe, attractive and affordable neighborhoods for low-income families.

**Brief History:** The Project addressed the need to eliminate blighting conditions and provide long-term affordable housing for low-income families. During the renovation of the Project, OHDC was successful in obtaining site control of a second triplex on East Adams Avenue. During 98-99, the Agency and City will provide financial assistance to OHDC for the acquisition and rehabilitation of the "Adams Triplex II". It is hoped that the Agency's continuing commitment to this neighborhood will encourage other property owners to improve their properties and stem the spread of blight and crime. Acquisition/rehabilitation projects may still be a cost-effective alternative to new construction. However, units that are substantially deteriorated demand high per-unit subsidies from the Agency and/or the City.

### **City of Fontana Redevelopment Agency**

#### **Project Name:**

***Southridge Village Homeownership Assistance Program***

**Contact: Sean Rogan - (909) 350-6657**

**Description:** The Program provides single-family detached homes for residents with incomes of up to 115 percent of median income. Services provided include acquisition and the substantial rehabilitation and resale of HUD foreclosures.

**Agency's Role:** The Agency's role was to oversee acquisition, rehabilitation and resale. The Program has facilitated resale of twelve properties, with only three families requiring Housing Authority assistance. The Agency provided funding of up to \$5,000 per house (down payment/closing costs).

**Brief History:** The Program reduces Police Department "calls for service" and code enforcement activity, eliminates abandoned/boarded up homes and reduces physical deterioration throughout the community. The Program has become an overwhelming success.

**City of Oakland Redevelopment Agency****Project Name:*****Acorn Smart Housing Pilot Project*****Contact: Laura Simpson - (510) 238-3502**

**Description:** The Project is 206 units for very low- and low-income residents; more may be added later. The Project was conceived by the City and IBM with input from the Acorn Resident Council and BRIDGE West Oakland Housing Inc., (BWOH) a nonprofit development corporation. In this partnership, IBM will provide computer infrastructure as well as computer and job training for low-income housing residents, and a managed process to place trained residents in local jobs. The resulting project is the most comprehensive computer project in the country. The goals are as follows: 1) provide a learning center with selected computer based training courses; 2) provide individuals with access to the Internet; 3) provide access to learning center and Internet by providing network computer stations within each apartment and linking them to learning center via fiber optic cable; 4) provide interested residents, youths and adults, with basic computer skills; 5) define curriculum that helps low-income residents gain meaningful employment; 6) define curriculum that enhances existing K-12 education and; 7) build support within the corporate, educational, and residential communities. This project is similar to others around the country in that it provides a computer learning center within an affordable housing project; however, it also provides a network computer station within each low-income unit, as well as training to all residents, youths and adults, in basic computer and job specific skills, and a job placement component. There is no other project in the US containing all of these components. Another unique feature of the Project is that the board of directors of the nonprofit corporation that owns and is redeveloping the site includes two current project residents. The development project, including the Smart Housing Pilot Project is a successful public-private-community partnership.

**Agency's Role:** The Agency is providing funding for the rehabilitation and reconstruction of the housing projects. The Program is being coordinated with the City, the developer, and private corporations. Funding sources include: \$400,000 from the City, \$101,768 from PacBell Network Integration, and \$121,685 from IBM. The City contributed \$400,000 a grant to BWOH, the owners of the development, to provide for a portion of the cost of installation of the infrastructure and cabling. The City's contribution was used to leverage the following funds: PacBell Network Integration and IBM both contributed to the initial phase, with PacBell and IBM contributions. IBM has also committed to provide \$108,800 in computer hardware to the Project. The City borrowed \$75,000 from ICC line of credit to hire a grantwriter to obtain the gap funding necessary to complete the Project. BWOH had already received a HUD grant that would pay for the rehabilitation of the units and the construction of a computer learning center. BWOH will fund the ongoing maintenance and operations of the Project through operating income at the Project.

**Brief History:** Acorn Housing was originally a 685-unit development that has been divided into three different projects with three different housing types. Acorn I, Parcels 1

and 2 will contain rental units, Acorn I, Parcel 3 will contain Mutual Housing units, and Acorn II will contain single-family detached, homeownership units. An innovative Project will incorporate computer technology, including a computer center, high speed data lines, and network computers in each unit. The Acorn I and II housing projects were developed between 1968 and 1971 as part of the Acorn Redevelopment Project. The original project consisted of 685 rental units developed with assistance from the US Department of Housing and Urban Development. It was considered an award-winning design at the time it was built, and was originally occupied by moderate-income households. Over time, though, the property deteriorated due to mismanagement by several private owners. It became a low-income project, and crime eventually became a major issue at the complex. HUD foreclosure on the property in 1993. In 1995, HUD asked the City and the Community to develop a plan for the revitalization of Acorn Housing and the transfer of the properties to several nonprofit developers. The overall goals of the plan were to create smaller, more manageable housing projects, reduce density, increase safety, provide a mix of income levels, and provide homeownership opportunities. Since then, Acorn has been divided into three projects, each with a different type of housing. All of the units in the new projects will remain affordable to low-income households earning not more than 80 percent of median income.

### **City of Alhambra Redevelopment Agency**

#### **Project Name:**

***Third and Woodward (Old Police Facility)***

**Contact: Stanley Smalewitz - (626) 570-5038**

**Description:** The site of the old police facility is made up of three parcels. Of those three parcels, 220 West Woodward Avenue was used for residential and light industrial purposes for a period of years extending prior to 1907 to approximately 1910. At that time, the property was developed as a residential home and a City yard and by 1925 it was used exclusively as a City yard. It served as a City yard/machine shop up until 1954, when the police station/jail was constructed. The property operated as the police station/jail until it was vacated in September, 1994. The remaining two properties (128 North Third and 120 North Third) were acquired at a later time and designed to provide additional parking for the police facility. Because of its construction (full basement jail made of 8" thick concrete), the building was termed a single purpose building and had no resale/reuse value.

**Agency's Role:** During the fiscal year, the Agency entered into an agreement that provided for the development of an affordable housing project located at the site of the City's former police station. Although located outside Agency's area, competing the development of the site pursuant to the Disposition and Development Agreement will assist in accomplishing the statutory and Agency goal of increasing the supply of affordable income housing within the community. Over time, the Agency has expended a total of \$1,201,204 towards acquisition of the properties. The developer will pay to the

Agency \$260,000 resulting in a net cost of the Project to the Agency of \$941,204. This development is significant due to the complexities involved with the property.

**Brief History:** The development project approved calls for the demolition of the existing police facility structure and construction of a 13-unit townhouse condominium. The two story structures will each consist of 3 bedrooms, 2 ½ baths, two car garage with a total living area of 1,400 square feet. Of the 13 units, 11 will be located on the combined property of 220 West Woodward Avenue and 128 North Third Street and the remaining two located at 120 North Third Street. Eight of the units are to be reserved for sale to moderate-income residents. The combined sites would contain approximately 37,880 square feet of lot area. The Project is currently in construction and is expected to be completed in Spring, 1999.



***REHABILITATION: Owner*****Fortuna Redevelopment Agency****Project Name:*****Low and Moderate Housing Rehabilitation Program*****Contact: Dale W. Neiman - (707) 725-7600**

**Description/Brief History:** The Program provided two new residential rehabilitation loans for less than \$20,000 per family. The services provided were upgrading of older homes through loans with variable financing. The Agency was responsible for administering the loan program and provide loans to residents/owners. Over sixty homes were remodeled.

**Desert Hot Springs Redevelopment Agency****Project Name:*****Desert Hot Springs Redevelopment Agency Rehabilitation Program*****Contact: Dan Scott - (760) 329-6411**

**Description/Brief History:** The project areas are comprised of the oldest sections of the City. The dwellings are primarily single-family homes with a small percentage of duplex and triplex development. The Program is designed to provide financial incentives in the form of a 5 percent loan from 5 to 30 years. Our information indicates that the average cost for a home has dropped 30 percent since 1990 and fair market rental rates continue to decline and are lowest in Coachella Valley. The City assisted 62 low- to moderate-income families. The Program has been successful. We have found that when one project has been successfully completed, neighboring dwellings apply for assistance or complete rehabilitation work on their own. The Agency is continuing its efforts of assisting families to purchase homes. Generally, these families do not require additional funding to rehabilitate the housing unit.

**City of Barstow Redevelopment Agency****Project Name:*****Project Facelift*****Contact: Andrew J. Hoover -- (760) 256-3531, extension 3265**

**Description:** RDA loans funds were used in the amount of \$173,399 to perform minor rehabilitation on 41 owner-occupied single-family homes of low- or very low-income property owners. There were 16 very low-income households, two very low-income mobilehome households and 23 low-income household assisted by

**Project Facelift.** Household incomes ranged from a low of \$6,456 (family of three) to a high of \$39,680 (family of six). Financing is in the form of a deferred loan that is forgiven 20 percent per year for five years, if the homeowner maintains income eligibility and does not sell the property within the five year period.

**Agency's Role:** The Agency administers the Program and provides 100 percent of funds from the 20 percent set aside.

**Brief History:** The Program was initiated to preserve a housing stock which contains more than sufficient units affordable to low- and moderate-income households, but which is beginning to show signs of aging in many locations and serious deterioration in others. The Program was initiated in March of 1997 and got up to speed early in the reporting period. The Program was well received and was very successful in assisting the target group with rehabilitation, many of which would not have been accomplished if not for the Program. The greatest hurdle encountered was the occasional difficulty in getting contractors to respond to homeowner's bid requests in a timely manner. The greatest lesson learned was to communicate clearly to the clients early on what the Program required of them concerning the recording of a deed in conjunction with the rehabilitation of their properties. This, on a few occasions, caused a bit of trepidation that caused some not to go forward in the process.

### **City of Temple City Redevelopment Agency**

#### **Project Name:**

***Housing Rehabilitation Project***

**Contact: Philip McGrath – (626) 285-2171**

**Description:** The Project provides rehabilitation of single-family residences. The resident incomes are 100 percent very-low (i.e., below 50 percent of the County median). The services provided were outreach to eligible households, determination of eligibility, property inspection and cost estimates, conducting bidding to obtain contractor, monitoring construction and project closeout. The Agency provided grants up to \$10,000 to rehabilitate the property from 20 percent set aside funds. The grants to homeowners are forgiven if owners occupy the property for 5 years.

**Brief History:** The program started in 1995. Thirty-eight properties have been completed through the end of June 1998. A large percentage of the City's housing stock was constructed just after World War II. The demographics of the City show a large percentage of elderly households which is the target group for the program.

**Galt Redevelopment Agency****Project Name:*****Galt Housing Rehabilitation Loan Program*****Contact: Sandra Wulf – (209) 745-6995**

**Description:** The Agency provides 3 percent simple annual interest rehabilitation loans to qualified low-income owner-occupants. Loans can also be made to investors who rent to low-income tenants (5 percent simple annual interest), but the investor must enter into a Rent Limitation Agreement for the term of the loans to ensure that the units remain affordable to low income tenants. No such restriction is required for owner-occupants. The Program financing is from the Low Moderate Income Housing fund. A variety of payment options are available to owner-occupants depending on the applicant's ability to pay. A deferred Payment Loan will be offered when a household's housing expenses after the rehabilitation loans is made will exceed 35 percent of their gross monthly income. Interest only payments are allowed when the housing expenses are between 30-35 percent of their gross monthly income. Grants of up to \$5,000 are also available for emergency repairs for very low-income owners and for serious health/safety repairs needed on homes for which the homeowner has no means for repaying the loan and the property has insufficient equity to secure the loan.

**Agency's Role:** The Agency has hired a consulting firm specializing in housing rehabilitation loan programs to administer the Program. The Agency's financial participation includes funding the administrative costs of the Program (including advertising and consultant costs) and funding the loans and miscellaneous fees for those loans which may not be recorded (appraisals, credit reports, etc.). The Agency funded three loans and five grants in FY 97/98.

**Brief History:** In 1991, the City hired a consulting firm to conduct a Housing Needs Assessment, Housing Condition Survey and Household Income Survey. The result of the consultant's report showed that approximately 21 percent of the 1,709 housing units within the Redevelopment area were in need of minor to moderate rehabilitation. An income survey was conducted of 337 of these units and it was determined that 71 percent of those respondents were low- or very low-income. The next several years in the City were characterized by extremely rapid growth with no significant increase in staffing levels. The existing staff's time was devoted almost exclusively to processing new development applications, so little time was available to develop a program aimed at rehabilitating the City's existing housing stock. In 1995, however, the State experienced an economic recession which caused a slow down in building activity and provided an opportunity for Planning staff to revisit the idea of housing rehabilitation. Staff researched the programs of other jurisdictions, obtained approval of the idea from the Agency Board, and prepared a Request for Proposals from consultants. A contract with Connerly & Associates were negotiated in January 1997. Program guidelines were adopted in April 1997 and staff began processing applications shortly thereafter.

**Tulare County Redevelopment Agency****Project Name:*****Housing Rehabilitation Loan Program*****Contact: Jim Brown – (559) 733-6291, extension 4301**

**Description:** The Program provided for the rehabilitation of four substandard single-family residences and replacement of two dilapidated single-family residences during this reporting period. Resident incomes of all six households were in the very low-income category. The Agency offers Below Market Interest Rate Loans (BMIRs) and Deferred Payment Loans (DPLs) for financing home repairs. BMIRs have an interest rate of 3 percent amortized over a 15-year period and require monthly repayment. DPLs are no-interest loans and require no monthly repayment. All loans are due and payable at sale or transfer of title.

**Agency's Role:** The Agency acted as the lender and project coordinator when implementing the Program. Agency funds of \$37,906 were leveraged with Housing Preservation Grant (HPG) funds and CDBG program income funds to provide three DPLs. An open CDBG grant provided funds for one DPL. HOME program income provided two combination BMIR/DPL loans.

**Brief History:** Thirty substandard or dilapidated homes in the Agency's project areas have been repaired or replaced over the last ten years as a result of the Housing Rehabilitation Loan Program. Families with little or no resources have been provided assistance. The benefits of the Agency's program are improved housing and preserved housing stock that enhances the quality and amenity of its neighborhood.

**Redlands Redevelopment Agency****Project Name:*****Great Neighborhoods Program*****Contact: Paula Rae Espinoza - (909) 798-7563**

**Description/Brief History:** The Program provided assistance to 37 units for families with very low-to moderate-income. The services provided are code upgrades, home repairs, roof and landscaping. The Agency provided \$5,000 per household. The financing arrangements were grants where the Agency paid the contractor directly upon homeowner approval. The Agency's role was to qualify the applicants, coordinate with the contractors and administration with a budget of \$500,000 a year. With this success of this program, the problem of blight in the neighborhoods has been successfully eliminated and improved the quality of life. The unusual feature was assistance provided was in form of a grant. One problem encountered was that homes sometimes required additional funding. The lesson learned was that we needed to prioritize neighborhoods based on risk factors, etc.

**City of Cloverdale Redevelopment Agency**

**Project Name:**

***Neighborhood Improvement Project***

**Contact: Joe C. Heckel - (707) 894-1701**

**Description:** This project includes Circuit Rider clean-up crews, City supplied dumpsters, and residential self-help painting vouchers. To be eligible for improvement projects, applicants must be within the designated project area and meet income requirements.

**Agency Role:** The Agency provided the funding for clean-up crews, dumpsters, and painting vouchers. For the year ended June 30, 1998, participants benefited from this Program at a cost of \$21,471.

**Brief History:** The Program was started in 1992 to undertake a variety of projects to help maintain and improve affordable projects in the Agency project area. Since its inception, 146 painting vouchers have been issued.

## ***REHABILITATION: Owner/Rental***

### **City of Azusa Redevelopment Agency**

#### **Project Name:**

***Housing Rehabilitation Program - FY 97/98***

**Contact: Ron Joseph -- (626) 812-5298**

**Description/Brief History:** Using CDBG, HOME, 20 percent set aside, and private funding, the Agency was able to leverage its limited Housing Funds and improve its lower-income (80 percent median) housing stock through minor and substantial rehabilitation to both single and multifamily housing units. Eighteen units were upgraded for a total improvement value of \$54,522. Including program support, CDBG funded \$27,610, private funding totaled \$33,790, and 20 percent set aside funds totaled \$1,105. Six single-family homes were substantially rehabilitated for an improvement value of \$144,100 under the HOME program. Including program support, HOME funds totaled \$147,940, CDBG funds totaled \$19,103, and set aside funds totaled \$6,495. Fifty-one single-family homeowners received minor housing rehabilitation CDBG grants of \$5,000 or less. Total improvement value was \$229,460. Including program support, CDBG funded \$264,529, and 20 percent set aside funds of \$6,168 were used.

### **Eureka Redevelopment Agency**

#### **Project Name:**

***Paint up/Clean up/ Fix up Program***

**Contact: Gary M. Bird - (707) 441-4165**

**Description:** The type of units effected were both owner occupied and rentals. The residential incomes included very-low, low-or moderate income levels. The Agency provided minor repair and property rehabilitation services. The Agency provided \$100,000 in available funding. The financial arrangements involved grants.

**Agency's Role:** The nature and extent of the Agency's role was to designate a project area, review and approve applicants, and monitor the approved projects. The Agency's financial participation in the Program included 80 percent of costs up to \$2,500.

**Brief History:** The Agency addresses housing needs and problems associated with blight and deterioration of targeted neighborhoods. The work usually involves minor repairs and painting. The successful aspects of the program involve a domino effect whereby other property owners do subsequent repairs on their own. Problems encountered are few, however some homeowners would prefer that a licensed contractor not be needed to perform the work.

## ***REHABILITATION: Rental***

### **Stanton Redevelopment Agency**

#### **Project Name:**

***Plaza Court Rehabilitation***

**Contact: Mark Lloyd - (714) 379-9222**

**Description:** A housing project of note funded during this reporting period is the comprehensive rehabilitation of the Plaza Court, a 104-unit apartment complex. The demographic character of the area in which the complex is located consists mainly of low-income residents. Residency at the apartment complex has been reserved for low-and very low-income tenants. The Agency participated financially in the Project through the provision of a low interest, deferred payment loan for \$500,000. The Orange County also provided assistance in the form of a \$300,000 grant. Conditions of fund approval included the provision for affordability covenants as well as a floor plan design reconfiguration which produced a net increase in the total number of bedrooms provided in the complex. The site condition was distressed prior to complex rehabilitation, with the apartment buildings exhibiting signs of deterioration due to neglect and lack of required maintenance. Undesirable and illicit activities including gang and drug problems were also prevalent in the area. The rehabilitation effort seems to have remedied the concerns noted above and completely transformed the area.

### **El Cajon Redevelopment Agency**

#### **Project Name:**

***Multifamily Housing Rehabilitation Program***

**Contact: David Cooksy (619) 441-1718**

**Description/Brief History:** The 1996-97 Housing and Community Development Financial report spoke to the achievements of the multifamily housing program. This Program was developed as the result of a proliferation of apartment complexes, built in the 1960s and 70s that are approaching economic obsolescence. In the late 1980s and throughout the 1990s, the southern California region suffered from a decade of economic recession that plagued the value of residential property. Besides a reduction of property values, owners of multifamily housing lost large margins of rental revenue, which required significant deferral of maintenance over many years. To keep units occupied, apartment complex owners reduced monthly rent, eliminated a first and last months deposit, provided free rental for the first month, waived a utility deposit. The result was a transient population that occupied a unit for the free rental period and moved onto the next complex. This sort of movement caused a serious strain on the quality of life within the complexes.

In FY 1996-97 the Agency committed more than \$2.5 million for the substantial rehabilitation of 470 apartment units. Within this reporting period, most of these units have come back into the housing stock. The result has been the improvement to the quality of life for entire apartment complexes. Residents now live in safe, decent, sanitary housing with new appliances, heating, air conditioning, tot lots, security fencing and resident managers. Where appropriate, the Agency has recorded income restrictions to ensure that units improved with set aside funds will remain affordable.



## ***MOBILEHOME PARKS***

### **City of Cloverdale Redevelopment Agency**

#### **Project Name:**

***Briarwood Improvement Project***

**Contact: Bob Perrault - (707) 894-2521**

**Description:** This Project consists of 89 residential units within the Briarwood Mobile Home Park, constructed in the late 1970s. A majority of the Park's residents are low-and moderate-income residents, and senior citizens. When originally constructed, the Park was served by a private water system that depended on a shallow well as a source of water. The water lines in the park were insufficient, and there was an absence of hydrants for fire fighting capabilities. Consequently, the use of this water system created a significant Health and Safety problem for the park's residents. This project involved the installation of a new water system for the park enabling the park to tie into the City's public water system. With the addition of the six new hydrants, and the upsizing of the water liens, the fire fighting capability within this Park was substantially improved.

**Agency Role:** The Agency financed and managed the installation of the improvements.

**Brief History:** This Park provides affordable housing to its residents who meet State requirements as low-and moderate-income residents. This Project eliminated a series of significant Health and Safety issues in such a way that it preserved the 89 units within the City's affordable housing inventory.

### **Costa Mesa Redevelopment Agency**

#### **Project Name:**

***Neighbors for Neighbors Community Clean-Up***

**Contact:**

**Description/Brief History:** The City assisted 17 mobilehome owners with CDBG grants and free volunteer assistance through the City's "Neighbors for Neighbors" program. Approximately \$83,000 of grant assistance was given. Approximately \$4,000 in labor and \$3,000 in material and paint was donated. All mobilehomes were brought up to code. Agency staff members also serve as staff members for the CDBG and HOME programs. Senior homeowners with very low-income received grants as well as volunteer help. They were able to do code as well as cosmetic improvements. Sometimes volunteers do not complete the work and paid-contractors must finish the job. The lesson learned was to make sure all team leaders have construction experience and to limit children volunteers.

**Monterey County Redevelopment Agency****Project Name:*****Las Tres Palmas Mobilehome*****Contact: Jerry Hernandez - (831) 755-5065**

**Description:** San Juan Mobilehome Park, also known as the Cooperativa Las Tres Palmas, is an acquisition and rehabilitation project involving a partnership between the County and a nonprofit housing provider, Pajaro Valley Housing Corporation. This innovative project involved the purchase of a mobilehome park by the 22 coach owners and conversion of the park to a cooperative. State Mobilehome Grant funds were used to fund the majority of the acquisition cost. The Agency and the Inclusionary Housing Fund provided funding to assist with land acquisition and park improvements. Program income resulting from repayment of HOME funded rehabilitation loans has provided assistance to coach owners so that they could meet Title 25 Health and Safety standards. Fifteen families living in Las Tres Palmas are very low-income and seven are low-income. The Redevelopment Agency provided financial assistance for land acquisition and park improvements and \$35,000 in funding.

**Agency's Role:** The Agency, County and Pajaro Valley Affordable Housing Corporation staff worked together to secure a CDBG Planning and Technical Assistance Grant to study project feasibility. Based on the results of the study, the nonprofit worked to organize the tenants into a cooperative and to secure funding for the project.

**Brief History:** The Pajaro Community has extremely substandard housing conditions with limited opportunity for annexation and expansion. Due to extremely tight housing conditions and agricultural nature of the community, rent levels are extremely high.

## ***MISCELLANEOUS PROGRAMS AND PROJECTS***

### **Riverside Redevelopment Agency**

#### **Project Name:**

***Riverside Park Apartments Loan***

**Contact: Margarita de Escontrias - (909) 275-6654**

**Description/Brief History:** The Project consists of 144 units and was previously known as the Berkeley Apartments and Oakview Apartments. The Agency had provided financial assistance of \$650,000 in 1992 toward the rehabilitation of the complexes. The owner was able to completely rehabilitate the complexes with a total investment of over \$2 million in public and private funds. The initial Agency assistance included restricting 43 units to moderate-income and 29 units to low-income households for a 30-year term (through 2022). Using a low-interest loan in March 1998, the Agency was able to preserve restrictions on low-and moderate-income units and secure restrictions for additional very low-income units. The loan agreement sets a 26-year term (through 2024) for the income restricted units, which is an extension of the original term for the existing 43 moderate-and 29 low-income restricted units. The loan agreement also called for an additional 7 units to be restricted to very low-income households for the 26-year term. To secure the agreement for the income-restricted units, the Agency provided a \$400,000 five-year loan at 5.75 percent interest to the apartment owner. Interest and principal payments will be deferred for two years. All accrued interest during the deferral period will be added to the principal balance at the end of the two-year deferral. Beginning in the third year, interest-only monthly payments will be computed on the adjusted principal balance. All the principal and any accrued and unpaid interest will be due at the end of the five-year term. The purpose of the \$400,000 loan was to enable the primary lender to help write down the original loan amount of \$3.7 million to approximately \$2.6 million. This write-down was conditioned upon the owner contributing an additional cash payment of \$400,000 leaving a new principal balance of \$2.2 million. The loan write-down averted a threatened foreclosure on the property, which would have jeopardized the Agency's previous investment in the project and the affordable units on the property. The \$400,000 loan enabled the Agency to preserve low- and moderate-income housing units and add very low-income units to the housing stock. The loan will recycle the principal and generate interest income for the low/moderate housing funds, providing funds available for future housing projects.

**City of San Clemente Redevelopment Agency****Project Name:*****Neighborhood Revitalization Program*****Contact: Leslie Davis - (949) 361-6188**

**Description:** The Program includes the continuance of the Neighborhood Pride Program and the fifth year of the Home Rehabilitation Program. The Program distributed bilingual newsletters to both residents and out-of-town property owners notifying them of new City property maintenance codes programs and grants, and worked with code enforcement on achieving compliance with housing code violations at problem properties. During FY 1997-98, 14 rental properties and three owner-occupied properties received paint program or property rehabilitation loans and grants totaling approximately \$213,800 in CDBG and HOME funds. A total of \$96,000 was provided by property owners as a match to their loan generating a total investment in the target area of \$309,800. The average resident income was 50 percent or less than median income. One of the projects provided a \$29,000 grant to the historic Bartlett Building to complete interior rehabilitation and add a phone entry security system. In exchange, seven units are restricted to housing very low-income households earning less than 35 percent of median income over a period of 10 years. This will provide the disabled, seniors on fixed incomes, and other very low-income persons an affordable, single-room dwelling unit.

**Agency Role:** RDA Housing Funds were used for administration costs and technical assistance (\$22,000) to implement the Program. The total cost to administer all of the housing programs amounted to \$144,907.

**Brief History:** Orange County traditionally operates CDBG home rehabilitation programs for small cities. Six years ago, the City of took over the administration of the Home Rehabilitation Program. A needs assessment identified over 300 properties in need of rehabilitation in the CDBG target area. Over five years, a total of 58 rental properties have been rehabilitated and/or painted using \$432,000 in CDBG funds; an additional \$450,000 was matched by the property owners. In addition, 27 owner-occupied properties have been rehabilitated utilizing \$393,000 in HOME funds. Combining both types of loans, a total of 85 properties with 251 households have benefited from an investment of \$1,275,000 in low-income housing rehabilitation over five years. The greatest problem encountered has been identifying owner-occupied properties which can qualify for the loans. Housing costs are very high in the County and in order for the owner-occupied property to qualify, the maximum single-family housing valuation is \$237,000 after rehabilitation. The median value of single-family homes sold in the City in September 1998 was \$267,000 in the target area. In addition, most first time homebuyers who may need the rehabilitation funds will not meet the affordability restriction of earning less than 80 percent of median income; therefore,

the Program has focused on senior citizens, single parent families, and self-employed households. The greatest lesson learned is that staff must be proactive in identifying properties to be rehabilitated. Typically the property owners with the worst properties will not apply. So do not wait for the owners to come to you!

### **City and County of San Francisco Redevelopment Agency**

#### **Project Name:**

***Affordable Housing Preservation Program***

**Contact: Olson Lee - (415) 749-2479**

**Description/Brief History:** The Agency is continuing its efforts to preserve existing HUD subsidized affordable housing developments. Since the last HCD report, the Agency has provided 4 Resident Capacity Grants of approximately \$25,000 apiece to resident groups for organization and educational purposes. In addition, the Agency has structured one preservation deal whereby a private for-profit at-risk development was transferred into the hands of a tenant-endorsed nonprofit. The structure of the deal placed affordability restrictions on the project for the next 99 years. The Agency is currently in the process of structuring another preservation deal and our goal is to provide financial and technical assistance to 1 preservation project per year.

### **Thousand Oaks Redevelopment Agency**

#### **Project Name:**

***Stoll House***

**Contact: Nellie Jasso - (805) 449-2393**

**Description/Brief History:** The Project provided 11 units for very low-income residents. The services that were provided were housing, jobs for homeless families. The Agency funds was \$187,000 plus \$44,000 and the financing arrangements were HOME grant tax credits, plus RDA assistance for payments. The Agency's role was financial by granting \$187,000 plus \$44,000 to fund the project. The Agency addressed the need for homes for homeless single parent families including children. The Project was successful in providing the critical need for housing. There were no unusual features, but the Project did experience "NIMBYism" (Not In My Back Yard). The lesson learned was that competent non-profit assistance was essential.

**City of Brentwood Redevelopment Agency****Project Name:*****Balfour Road Infrastructure Improvements*****Contact: Pam Ehler/Winston Rhodes -- (925) 634-6900**

**Description:** The City initiated an infrastructure improvement Program with utility connection improvements to assist low-and moderate-income households in an older neighborhood where new residential development was occurring. The City allocated funds for sound wall improvements to reduce roadway noise resulting from increased traffic and for connecting older homes to the City's sewer system rather than use of private septic systems. The Project provides 18 units for low and moderate household incomes. The services provided are street frontage improvements and sewer connections. The Agency provided \$306,000 in grant funding.

**Agency's Role:** The Agency reimbursed the private developer for improvements.

**Brief History:** The project addressed traffic noise and deteriorating septic system. It also reduced roadway noise and more sanitary and reliable sewer service.

**City of Belmont Redevelopment Agency****Project Name:*****Homesharing*****Contact: Daniel Vanderpriem -- (650) 637-2908**

**Description:** The Project provides 16 single rooms for very low income residents. The services provided are household provider and seeker matching. The Agency provided \$20,000 in funding.

**Agency's Role:** The Agency contracted with a non-profit.

**Brief History:** The Project provided low-income seniors the ability to remain in their homes and provided low-cost housing in a shared household. The Agency learned about the cost effective means of providing and necessity to preserve housing.

**City of Sacramento Redevelopment Agency****Project Name:*****Quinn Cottages*****Contact: Beverly Fretz-Brown - (916) 440-1347**

**Description:** Sixty units of small manufactured cottage housing units (54 units at 327 square feet and six handicapped accessible units at 391 square feet). Twelve units were allocated for residents with very-low income with 48 units for low-income residents. Case management program includes: identification and assessment of the residents' personal

resources, needs, and goals; development of a plan of action and a contract to work toward meeting needs and goals agreed upon by the resident and social worker/case manager; provision of and/or referral to needed services and resources; regular monitoring to ensure proper service delivery, follow through and crisis intervention as needed.

**Agency's Role:** The Agency provided \$1,404,000 HOME loan funds and \$136,000 HOME Predevelopment loan funds. The Agency provided the predevelopment loan for expenses related to planning, financing design and administrative related to the permanent financing (55 year term), a \$250,000 Cowell Foundation grant, a Home Loan Bank Affordable Housing Program grant for \$240,000, and a construction loan of \$915,743 from Wells Fargo Bank. Upon receipt of the capital contribution from the partnerships tax credit limited partner, borrower will repay \$272,500 of the Agency loan. This repayment will be deposited in an interest bearing account, held and disbursed by the Agency as a operating subsidy guarantee fund for the Project.

The Agency purchased commercially zoned loan that included the remains of an abandoned cement batch plant with significant toxic contamination. Prior to transferring title to the Agency, the property owner completed remediation of toxic contamination on the property to the satisfaction of the State Department of Toxic Substances Control.

**Brief History:** The Project helped fill the need for affordable housing for formerly homeless, very low-income individuals committed to seeking employment training and permanent employment. Working with the Agency, the County Department of Human Assistance and the Sacramento Employment and Training Agency, the Project developed a volunteer/job training component during construction of the cottages. Homeless individuals worked to construct porches, build pathways of decomposed granite, and landscaped the surrounding grounds. The individual cottages are clustered in a series of small neighborhoods, each oriented around a shared common space. The Project has a fenced perimeter with controlled access and includes a laundry office building, meeting room building, a covered pavilion and a maintenance shop.

## **City of Inglewood Redevelopment Agency**

### **Project Name:**

***Westside Residence Hall, Incorporated***

**Contact: Dan Akins – (310) 412-5290**

**Description:** The Project provides 301 units for residents with very low-to moderate-income. Services provided were transitional housing units for formerly homeless veterans. The Agency provided financial support and a disposition and development agreement.

**Agency's Role:** The Agency provided financial support for renovation of a 7-story dormitory to transitional housing in addition to a \$1.4 million grant.

**Brief History:** The Project provided housing for homeless veterans, creating a partnership with private and other government entities. The Project provides comprehensive social services including job training and alcohol/drug rehabilitation offered on the site for homeless veterans. The creative renovation of an obsolete dormitory provided another source of low-and moderate-income housing.

## **Santa Rosa Redevelopment Agency**

### **Project Name:**

***Henry House***

**Contact: Ruben Rios - (707) 543-3312**

**Description:** The Project provides 6 shared housing units. The residents income are very low- income. The services provided are meals, transportation, counseling, and on-site staff (24 hours). The Agency provided funding of \$43,733. The financing arrangements were 3 percent deferred payments over 41 years.

**Agency's Role:** The nature and extent of the Agency's role is lender and rehabilitation oversight. Financial participation in the Project is long-term deferred payment loan.

**Brief History:** The housing need or problem addressed was permanent supportive housing for disabled residents at risk of being homeless. The successful aspects are affordable housing and supportive services. Unusual features are shared permanent housing for AIDS clients. Some problems encountered were HUD funding requirements for primary loan. The lessons learned are allow a long time for coordination of funding requirements.



**City of San Jose Redevelopment Agency****Project Name:*****Emergency Housing Consortium Reception Center*****Contact: Barry Del Buono – (408) 291-5447**

**Description:** The Project is an example of the City's response to the need for emergency and transitional housing to replace the closing of the armories statewide in January 1999. It provides housing and support services for 250 individuals and families during the period November through March and 125 for the remainder of the year. The shelter operates 24 hours a day, 7 days a week. Year round, the facility provides 50 units of transitional housing, 10 units of family housing and emergency shelter for 30 individuals. The goal of the Project is to provide a "one-stop shop" for homeless individuals so that they can obtain quality supportive services, such as mental health counseling, individuals case management, legal counseling, transportation services, employment and job training, and an onsite health clinic. In addition, shelter residents are provided three meals a day. The Project made an excellent adaptive reuse of a formerly vacant research and development facility for the General Electric Corporation. The building was totally renovated and currently houses both the Reception Center and the offices for Emergency Housing Consortium. The renovated building conveys a sense of permanent and colorful shelter to its residents by the use of an extensive landscaping and community designed elements, such as hand painted ceramic tiles, and other lively details.

**Agency Role:** Direct financial contribution from the City's Housing Department totaled \$524,000. The total project cost was \$5,702,000 and other funding sources are RDA "80 percent" funds of \$1,500,000; City CDBG funds of \$1,684,000; City of Housing Department funds of \$524,000; HUD Transitional Housing funds of \$400,000; County of Santa Clara CDBG funds of \$331,000; CDBG funds from other Santa Clara cities of \$578,000; and private contributions of \$685,000.

**Brief History:** The Project opened in November 1997, the result of a successful collaborative effort between the shelter providers, levels of San Jose City government, and the neighborhood joining together to create an environment which promotes the goals of reducing homelessness, providing efficient delivery of services to residents, and increasing the supply of affordable housing in San Jose.

**City of Monterey Park Redevelopment Agency****Project Name:*****Pacific Bridge Home for Developmentally Disabled Adults*****Contact: Roger J. Grody – (626) 307-1385**

**Description:** The Agency partnered with Pacific Bridge, the nonprofit housing subsidiary of the Little Tokyo Service Center, to build this six-bedroom house for developmentally disabled adults. The residents, low-income adults, will be provided a bedroom with shared bathrooms and community kitchen. The residents will receive assistance finding a job, with the goal of making them fully independent. The project is financed with a HUD Section 811 grant and a \$241,000 loan from the Agency's low/mod housing fund. The Agency loan was used for important predevelopment costs, including land acquisition and architectural fees.

**Agency Role:** The Agency acted as public sector partner and Project advocate throughout the entitlement process. The Agency and Pacific Bridge executed an Owner Participation Agreement that detailed the Agency loan to the Project, its uses and the repayment over a 30-year period from residual receipts. The Agency also provided support for the HUD Section 811 funding application.

**Brief History:** The Project addressed a need in the community for transitional housing for developmentally disabled adults. Pacific Bridge paid market value to purchase a corner house in a single-family neighborhood across from Barnes Park. The house was demolished and replaced with a six-bedroom house that exceeds 3,500 square feet in size. The house was designed to be compatible with the existing neighborhood. The Project held a neighborhood meeting to introduce the Project, answer questions and listen to suggestions. This meeting clarified the parameters of the Project and helped overcome any fears among the neighbors. The Project successfully blends into the neighborhood and is quiet and well maintained. Two important lessons from this Project were to make sure housing projects blend into the surrounding neighborhood, and to inform and involve the neighbors to gain their support. These two steps were cornerstones to a successful project.

**City of West Covina Redevelopment Agency****Project Name:*****Homeownership Month*****Contact: Mona Miyasato - (626) 814-8417**

**Description:** This Program was a month-long marketing effort by the Agency to encourage pride in homeownership, with an emphasis on promoting two City/Agency-sponsored programs: 1) The City's Home Improvement Loan Program funded by block grant for low-income households, and 2) The Agency's First Time Home Buyer Program for low-and moderate-income households.

**Agency's Role:** In addition, the Agency sponsored a Homeownership Pride Contest to encourage homeowners to improve their homes, and the Agency entered into an agreement with a local lender to provide home improvement loans for homeowners who could not qualify for the City's program.

**Brief History:** The cost of hosting the fair and marketing the housing programs during the Home Ownership Month were minimal (approximately \$2,000) yet served hundreds of families in the City by providing them information on home improvement loans and first time homebuyer opportunities.